CANADA

BUDGET SPEECH

DELIVERED BY

HON. GEORGE E. FOSTER, D.C.L., M.P.

MINISTER OF FINANCE

IN THE

HOUSE OF COMMONS

TUESDAY, 27TH MARCH

1894

OTTAWA
PRINTED BY S. E. DAWSON, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY
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The EDITH *and* LORNE PIERCE
COLLECTION *of* CANADIANA

Queen's University at Kingston

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WAYS AND MEANS—THE BUDGET.

Mr. FOSTER moved :

That the House resolve itself into Committee to consider the Ways and Means for raising the Supply to be granted to Her Majesty.

He said : Mr. Speaker, I shall have to crave the indulgence of the House to-day for a more lengthy hearing than usual, and to bespeak the kindly attention, even a more considerate attention, which I could scarcely ask, than hon. members have generally given me, owing to the magnitude and length of the task which is set before me. In the first place, I will as briefly, as plainly and as definitely as possible, lay before the House the statement of the finances of the preceding year, with the usual remarks and observations with respect to the current and succeeding years, and after that, will proceed to explain the tariff recommendations with which I have been intrusted, and which I am to present to the House. I do not intend to make any pretense of a speech in the statements that I am to place before the House, but I desire to do my work in the shortest and most business-like way possible.

REVENUE FOR 1892-93.

Last year, it will be remembered, I gave no detailed statement of the probable revenue to accrue during the current year, but gave a gross estimate amounting to the sum of $38,000,000. The actual revenue has exceeded the estimate by $168,608, the Customs overrunning the Customs receipts of the preceding year by $452,944, the Excise overrunning the Excise receipts of the preceding year by $422,267, and the miscellaneous revenue or earnings overrunning those of the preceding year by $371,526. So that the excess of revenue from these three sources, besides being $168,608 more than was estimated, shows $1,246,737 in advance of the revenue of the preceding year. The principal items in which the revenue increased, briefly stated, are as follows :—

Breadstuffs	$ 20,495
Cement	17,797
Copper, and manufactures of	12,028
Cotton	181,419
Fancy goods	26,252
Flax, hemp and jute, and manufactures of.	18,910
Furs, and manufactures of	7,191
Gloves and mitts	7,123
Gold and silver, and manufactures of	10,684
Hats, caps and bonnets	30,278
Iron and steel, and manufactures of	86,280
Lava	28,166
Oils, coal, kerosene, and products of	30,874
Silk, manufactures of	92,138
Spirits and wines	164,918
Tobacco, and manufactures of	22,025
Wool	213,826
All other dutiable goods	41,169

The items of decrease were :—

Ale, beer and porter	21,071
Animals, living	16,113
Carriages	25,187
Carpets and squares	12,445
Coal and coke	7,150
Earthenware and china	11,593
Fruits and nuts	16,558
Fruits (green)	38,681
Jewellery	7,407
Musical instruments	12,281

Paper, and manufactures of	$ 9,902
Provisions, viz.: butter, cheese, lard and meats	107,647
Sugar, all kinds of	67,493
Sugar, mollasses	8,456
Vegetables	9,942
Wood, manufactures of	17,042

The movement in excise is shown by the following comparative table of the quantity taken for consumption and duty accrued on excisable articles in 1892-93 as against 1891-92.

	Qty., 1892.	Qty., 1893.	Duty, 1892.	Duty, 1893.	Increase in 1893.
Spirits	2,578,973	2,747,597	$ 3,873,801	$ 4,139,306	$ 265,505
Malt	46,425,882	50,082,751	928,517	1,001,655	73,138
Cigars	104,521,493	114,668,809	623,952	681,628	57,676
Cigarettes	40,147,200	42,870,100	62,933	64,305	1,372
Tobacco and snuff	9,872,166	10,000,062	2,356,904	2,379,812	22,908
			7,846,107	8,266,706	420,599

The duties accruing in 1892-93 as compared with 1891-92 show an increase in spirits, in malt, in cigars, in cigarettes, in tobacco, and snuff; that is, along the whole line, and amounting in all to $420,590. The per capita consumption of these articles as revealed by the report of the Controller of Inland Revenue is:

—	Spirits.	Beer.	Wine.	Tobacco.
	galls.	galls.	galls.	lbs.
Average from 1867	1·120	2·768	·137	2·152
do do 1891-92	·701	3·516	·101	2·291
do do 1892-93	·740	3·485	·094	2·314

There is a slight increase in tobacco over the average, and over the consumption per head, of the year 1891-92. The House will see, then, from what I have stated that the remarkable fact about the year 1892-93—and I think it is a fact well worth noting just here—has been the extraordinary recuperative power which has been exhibited; a recuperative power which in Canada has been in marked contrast with the history of greater countries, and I may say, in fact, with all the great nations of the world. For, whereas these other countries have during the year 1892-93 experienced exceedingly great disturbances of trade, with a falling off in exports and imports, and a falling off in revenue as well; the fact remains that as far as trade is concerned, as shown by the Custom House revenue, as far as excise is concerned, and as far as the earnings, the miscellaneous revenue of the country are concerned, there was an increase in each item; a considerable and a steady increase over the year preceding, which, as the House may remember, marked the highest period which had been attained from Confederation up. These facts, I think, are worthy of consideration and of note at this time, showing as they do the healthy condition of trade in Canada as compared with other countries, showing the increased consumptive power of the people, showing also, if we will look into the returns, an augmented and expanding energy in the industrial work of the country as marked by the increase in raw materials, which in 1892-93 have been imported for working up in these different industries. Another gratifying fact about the year 1892-93 is that the miscellaneous receipts of Canada increased by the sum of $371,526, showing that the earning power of these investments of the Government has kept steady and gradual pace with the trade of the country and the improvement of the country in other respects.

Sir RICHARD CARTWRIGHT. I do not want to interrupt my hon. friend unnecessarily, but will he give details of that? Has he got the details there?

Mr. FOSTER. The details are given in the Public Accounts in full under the head of "Miscellaneous," so that I have not troubled the House with them just here. I wish to state that these receipts have shown a gratifying increase for a number of years back. They amounted in 1867-68 to $1,987,247, and by 1873-74 they had grown to $4,075,907, or an increase of 105 per cent. In 1878-79 they had decreased slightly, remaining almost at the figure they were in 1873-74. In 1892-93 they had bounded up from four millions of dollars to $8,847,241, or an increase over 1878-79 of 118 per cent. The increase in the

earnings, or miscellaneous receipts of 1892-93 over those of 1891-92 was $371,526, as I have stated, or 4⅛ per cent. The rate of taxation on home consumption entries of dutiable goods last year was 30·28 per cent; on the total of goods imported for home consumption dutiable and free, it was 17·38 per cent, thus showing a decrease in the percentage raised on goods entered for consumption, both dutiable and free, from 21·21 per cent in 1889-90 to 17·38 per cent in the year which has just passed. Whilst, therefore, the other colonies of Great Britain have felt very acutely the commercial depression, the loss of revenue and the loss of trade in the year 1892-93; and while that has been felt also by the great countries of the world, Canada, perhaps, without exception amongst the countries of the world, shows an increased trade both in imports and exports, and an increased revenue of one and a quarter million dollars over the preceding year 1891-92.

EXPENDITURE FOR 1892-93.

Coming now to the expenditure for the past year, I stated about a year ago, or a little more, that my estimate of expenditure for the year 1892-93 was $36,500,000, whereas the actual expenditure was $36,814,052. The income was $36,168,608, so that the total expenditures on consolidated fund account taken from the total revenue on Consolidated Fund account, leaves, what has been a pleasant and recurring experience in the administration of the present Government, a tidy surplus of $1,354,556, to be carried to capital account. The increase in expenditure in 1892-93 as compared with the preceding year was $48,158. That, however, is a very small increase when you take into account the increased interest on the debt, the increased sinking fund charges, the large quarantine expenditure to which the country was put, the mail and steamship subventions which have been added to, and the increasing demands for the various public services of the country. In fact it is well for the House to remember just at this moment, that from 1887 to 1892-3 there has been almost a stationary expenditure upon Consolidated Fund account. In the year 1887-88, $36,718,494 was expended, and in 1892-93, $36,814,052, or an increase of only $95,558, and the average of the expenditure for the six years from 1887-88 to 1892-93 was $36,599,312, the expenditure during those six years being, as I have said, about stationary. So that it would not be anything more than pardonable for me and for the Government, and for the party which supports the Government, to take note of the fact, and to emphasize it—that, in six years of Canada's growth, with services over a widely extended range of country constantly growing, and new ones constantly coming to the front, and in a time of progress and competition, when those services have to be generously met, we have been able to meet them, and have been able to keep the country's expenditure on Consolidated Fund at an almost stationary figure, and to have a good surplus each year to carry to capital account. Coming to capital account, the expenditure for this year has been in excess of the expenditure of last year, mainly owing to the extraordinary expenditure for the finishing of the Sault Ste. Marie Canal. The expenditure upon railroads and canals, chiefly, of course, on canals, was $2,782,490; on public works, $181,877; on Dominion lands, $115,038; making altogether $3,079,406, as against $2,165,700 for these items the year previous. If you add to this amount railway subsidies, which total $811,394, as compared with $1,248,215 the year preceding, you have a total capital expenditure, adding some few miscellaneous items, of $4,039,673 during the year just past. Taking from that sum the surplus of $1,354,556, taking also from it $2,095,513 applied to sinking fund, which, of course, is laid up against the debt, taking also $40,000 received from the city of St. John, we have as an addition to the debt the sum of $549,605, as against an addition to the debt last year of $3,332,403; another evidence of careful financial supervision and careful and prudent expenditure. The expenditure on capital account, has been met by temporary loans and by the issue of stock, the temporary loans made for this purpose amounting to $1,460,000, and the stock issue amounting to $1,186,403. So much with reference to the capital expenditure.

Sir RICHARD CARTWRIGHT. Will my hon. friend state from whom he borrowed the $1,460,000 ?

Mr. FOSTER. The Bank of Montreal, our financial agents, which, I think, took

most of the Treasury Bills, although they have been assisted somewhat by other London houses.

REVENUE AND EXPENDITURE, 1893-94.

Coming now to revenue and expenditure for 1893, I must frankly say to the House that I cannot present so favourable a statement; but the statement, such as it is, and exactly as it is, I intend to give. The revenue and expenditure up to the 10th of March of the present year, and of last year respectively, were as follows :—

Revenue to 10th March, 1894. ..	$25,096,000
do do 1893. ..	25,771,000
Expenditure to 10th March, 1894.	22,633,000
do do 1893.	22,235,000

Last year from the 10th of March to the 30th of June, revenue accrued to the amount of $12,397,000, and expenditure was incurred to the amount of $14,579,000. If I were to calculate on the basis of receiving as much money from revenue from the 10th of March this year up to the end of it, as was received during the same period last year, and making an equal expenditure, the figures would stand in this way, that we should have a revenue of $37,493,000, and an expenditure of $37,212,000. But I cannot expect so large a revenue from the 10th of March this year to the end of the year as we received last year. The year 1892-93, as I have stated, was a remarkably steady, and, in fact, a progressive year. The progress, so far as the revenues were concerned, remained remarkably steady up to about the middle of December, 1893. From that time to the present the revenues have shown a gradual decline, due to two causes : First, to a general apprehension throughout the country that there was to be a change in tariff conditions, and what followed from that, naturally and logically, a general prudent restriction of expenditure, and waiting to see what the tariff would be before making large purchases or undertaking large expenditures. This, I have no doubt, has been the principal cause of the temporary recession of the revenues. There has been, however, I think, another cause, which is this : Though this country stood remarkably well the stress of the hard times and the commercial disturbances which the world experienced in 1892 and 1893, and seemed to have passed through them without visible effect upon our trade or revenue, we are now feeling the reflex or dying influences of that world-wide depression and period of low prices, and it has had and is having the effect in Canada—for a period short as yet, and which I believe will not be of long duration—of making people prudent in expenditure and careful and conservative in their purchases. These reasons lead me to think that the revenues will be considerably less during the year 1893-94 than the revenue which accrued in 1892-93, and from present appearances I do not anticipate more than thirty-six and a half or thirty-six and three-quarter million of dollars. If the expenditure from the 10th of March to the end of the year should be normal, that would leave us with a deficit ; but this Government has come to the conclusion—a wise conclusion, which I think will be echoed by this House, and in which the Government will have the co-operation and cordial help of the House—to endeavour to live during this year within our income, and, if our income is less, to resolutely keep down the expenditure, so that in the end we shall not have that unwelcome visitation which so often made its appearance to my hon. friend who sits opposite me—an ugly and ill-visaged deficit. A prudent business man, any prudent business concern, any private gentleman, any householder, would take that course of action ; and in the national housekeeping it is equally incumbent, it seems to me, to follow the same course. It is fortunate that we have come pretty closely up to the limit of our capital expenditure upon great works. Three months from to-day, if our calculations are not wrong, will see Canadian vessels passing through the Sault Ste. Marie Canal, and an uninterrupted channel of communication for Canadian and other vessels, totally within Canadian waters and Canadian territory, from the centre of this continent out to the seaboard. We have spent a large amount of money upon our general canal system and upon the Sault Ste. Marie Canal. This last expenditure will be finished by the end of the year, and what remains will be the deepening and widening and other improvements necessary to the St. Lawrence canals and river, which will not cost a very large sum and will not extend over a very long period of time. Therefore it is fortunate that at this particular time, we are nearing the end of extraordinary expenditure for heavy

public works and coming to a period when our revenue must more nearly equal our expenditures on Consolidated Fund account, so that we shall have to borrow less for the necessary capital expenditure which, from time to time, will have to be made.

Mr. CHARLTON. What expenditure is deemed necessary on the St. Lawrence canals, and what depth of water is it proposed to provide ?

Mr. FOSTER. That is a question which more particularly pertains to my hon. friend who sits beside me. I am not prepared to give an estimate, but I think somewhere in the neighbourhood of $8,000,000 or $10,000,000 is supposed to completely finish the work and give the depth to the canals proposed for and known to the House for several years back.

Mr. CHARLTON. What is the depth ?

Mr. FOSTER. Fourteen feet.

THE SAVINGS OF THE PEOPLE.

Leaving the question of expenditure, I wish to say a word or two with reference to two or three facts worthy of being noted when considering the year just passed. The savings of the country, as indicated by the deposits of the people in the Government and other savings banks, show an increase as usual—an increase which might not have been expected, but which nevertheless took place. On the 30th June, 1889, we had a balance of deposits in the Government savings banks, including the Post Office, of $42,956,357. About that time, as hon. gentlemen will remember, the rate of interest was lowered from 4 per cent to 3½ per cent. For that and other reasons the deposits ran down until, on the 30th June, 1891, they touched $39,400,026. On the 30th June 1892, they had increased only to $39,529,546, but the deposits had an upward tendency. On the 28th February, 1894, those deposits had grown to $42,165,896, or an increase of $2,636,350. Another evidence of the thrift and prosperity of our country during the year 1892-93 is shown by the fact that whilst this increase took place in the Government savings banks, there was also an increase of about $7,908,418 in the savings deposits in the other chartered banks ; and if we add to these the savings of the people as placed in the loan and building societies—not a very large amount, about $19,000,000, and which remains fairly stationary—we find that the total deposits of the people, the total savings of the people—their deposits in the various banks, Government and others—amounted, on the 28th February, 1894, to the sum of $242,645,358, or a sum of nearly $50 per head for the population of the country. When we take into account the fact that in 1878 this total was only about $87,000,000, the fact remains that an increase between that period and the present has taken place of $155,096,312.

TRADE AND COMMERCE.

The commerce of the country during 1892-93, I have briefly noted. As finances showed exceedingly well in that year, as the savings showed an increase of about ten million dollars, so the trade and commerce of the country showed not only well, comparatively to itself in preceding years, but exceedingly well relatively to the experience of other countries. The Australian colonies, in their trade, ran down by hundreds of thousands ; British commerce decreased in 1892-93, as compared with the preceding year, to the extent of $133,291,535, her exports decreasing to the extent of $41,678,026. French commerce declined $97,811,239, her exports declining $49,883,914 of that amount. The United States trade fell off $133,182,229, her exports showing a decrease of $68,499,544. With this record of decrease and decadence in trade, it is pleasing to contrast Canada's experience, which shows an increase in trade of $6,269,177, and an increase in exports of home products of $6,459,344. If that is an indication of progress relative to our foreign commerce, when we come to the country itself we find that more miles of railway have been operated, namely, 15,020, as compared with 14,585 in the preceding year. We find that there has been an increase in the passengers carried ; we find that about an equal amount of freight has been moved—some twenty-two million tons—and we find that the earnings are larger than in the preceding year, amounting to about $52,000,000. The tonnage by lake and sea has been well sustained. The increase of imports and exports has taken place as I have stated, and a notable and gratifying effect in relation to this increase is that in farmers' products—

agricultural products, animals and their products—there has been a large development, the year 1892-93 showing a total export of these products of $49,235,106, against $46,145,590 the preceding year. As to the distribution of the exports to the United States, Canada sent $6,020,992 worth in 1893. as against $6,643,019 in 1892; to Great Britain, $40,420,681, as against $36,869,595 the preceding year.

THE FISCAL POLICY.

Now, Mr. Speaker, having thus briefly and rapidly gone over the financial exposition, as it is called (which I think cannot but be, on the whole, gratifying to the House) it becomes my duty to take up the second branch of my labour of the day; that is, to say something with reference to the tariff changes which it is proposed to introduce. I am sure the House will pardon me if I preface the recital of these changes by some general remarks upon the question. You will agree with me, Mr. Speaker, that there could not well be a more important question for a Parliament to discuss and for a country to decide than the principle upon which and the details with which it arranges its fiscal and tariff legislation. The arrangement of a tariff and the principle which is to be adopted has two aspects—it looks to the revenue which is required in a country, and it looks as well to the general trade and development of a country. I wish, at this early stage of my remarks upon this subject, to say that, so far as the revenue aspect is concerned, it is of infinitely less importance than the effect of the principle and the details of the tariff upon the trade and development of a country. I know—and hon. gentlemen on both sides of the House will recognize it as a fact when I state it—that the revenue which is raised under a tariff is used often (and used, in my opinion, very often wrongly) either as an argument in favour of a tariff principle or as an argument against it. It has not been outside of the experience of myself and other hon. gentlemen on this side of the House that the fact that thirty-eight millions were raised and spent in the country in a single year has been debited to and made the ground of attack upon the policy, and the principle of the policy under which that revenue accrued. That is a position which, to my mind, is scarcely defensible. The principle of the tariff has nothing to do in this year 1893-94 with the amount of money which is required for the country's expenditure; and the fact that thirty-eight millions of dollars are raised under it is neither an argument for its support nor an argument for its condemnation. In the first place, thirty-eight millions of dollars are not raised by the tariff at present in force, and would not be raised by any tariff put in force in this country. Of the thirty-eight millions of dollars of revenue, twenty-one millions of dollars has to do with tariff principle or tariff detail. But the other seventeen millions of dollars are raised in totally different ways, as hon. gentlemen well know. So that the fact that a large amount of revenue is raised and spent in the country is not to be used by opponents of the present policy either in its details or in its principle as an argument against it and for its condemnation. The first thing to be settled by a country in this relation is how much money it ought to raise for its current expenses. When once that is settled, then the question of tariff simply has to do with revenue in this light—whether that revenue can be raised under that tariff or not, and then the tariff is relegated to the place where it properly belongs, and the view with which it should properly be canvassed—the principle and details of the tariff under the working out of which the necessary revenue shall be raised. So that the principal aspect in which the tariff is to be viewed is as to its effect upon the trade and development of the country.

THE PRINCIPLES OF THE TARIFF LEGISLATION.

The principle of the tariff was well discussed in 1878 and several years preceding. It was discussed by the rival parties on the platforms of the country, and in the House of Parliament itself. Then the question was relegated to the people, and the decision of the people given upon it. That decision has been reaffirmed in 1882, in 1887, and in 1891. Now it happens that, in the course of events, a period arrives when a retrospect is to be taken of the tariff in its operation, and when the question comes again before Parliament as to the principles of the tariff and as to the details which shall be built upon those prin-

ciples. It seems to me that there are only three possible principles upon which, or methods by which, a tariff can be modelled. One is to have simple free trade, under which you have no customs imposts at all, the revenue necessary for the country being raised by direct taxation, however it may be distributed. Another is to have a revenue tariff which selects a list of articles and places rates of impost upon those articles, chiefly with a view to the quickest, easiest and best method of raising the amount which is necessary, but also with the necessary sequence of incidental protection whenever this selected list includes those things which are produced or can be produced in the country itself, a protection which is incidental, but which, in a purely revenue tariff, is never designed. The other and third method is the protective tariff, by which you select a certain list of articles and place upon them certain rates of impost with a view to raising a certain amount of money for the services of the country, but more especially with this view, that whilst you raise the amount of money that is necessary for the country, you shall stimulate the development of the resources of the country, you shall help to make its industrial life broad and diversified, and progressive, to manufacture in the country, by the labour of its people, as much as possible of what the people have to consume, and over and above that, as much as possible of what outside countries can be got to take of the products of the labours of the people. So the difference between a revenue tariff and a protective tariff is not that there may not be in both an incidental protection, but that in a purely revenue tariff that protection is simply incidental and not designed ; whilst in a protective tariff it is both incidental and is designed to be a protection, and is put upon the statute-book for that purpose. Now, Sir, it seems to me that outside of these three methods no others have ever been proposed, or have ever been acted upon. Take the first, the simply free trade method. There is no country in the world to-day which practices it, or which has adopted it ; there has been no country in the world, among those classed as great and progressive countries, which has ever adopted it. It is something which is very well to talk about, something which in airy and fine-sounding phrases, does to tickle the ear, at the hustings, of the audience that is listening, but which when brought down to the cold plane of discussion in Parliament and in legislative halls, has no place, and up to this date has found no place. The only great country in the world which has adopted the second method is Great Britain. She has selected a list of articles and placed imposts upon them, and so far as any of those articles are produced in the country, and are not subject to an equivalent excise tax, she has given them protection. The protection is brought to a minimum when the list of articles is so chosen that the whole of them, or the most of them, are of a class which is produced abroad and which is not produced at home. The third method is that which all great countries at the present time, with the exception of Great Britain, has adopted and has in practice, and that is the protective system, in which a list of articles is selected, and upon which impost rates are placed with the design, not only of raising a revenue, but of protecting the country in its various industries, in its labour and in its general development. Great Britain, which to-day is the only example, as I have said, of a country which has a revenue tariff as nearly as possible approaching to the non-protective, is a country which commenced her career by a protection which in some cases amounted to absolute prohibition, and which, for many years, progressed under a very high rate ; and it was only when at last, by the unique development of her own forces, her own industrial powers as compared with surrounding countries, and the unique combination of conditions outside of herself which put her in a position to dominate completely the industries of the world, that she threw her ports open and allowed all products to come into her markets without imposts, in order that she might, for her own interest and benefit, carry the products of her labour, of her inventive faculties and mechanical genius, into every quarter of the world. She did that, but year by year her customers have been learning her arts, though they have not practised her example ; and whilst they, in inventive genius, in mechanical dexterity, in industrial development, in many cases are equalling Great Britain, or coming close up to her, at the same time they are protecting

their own ports and their own country ; and to-day wares and goods which formerly were made in Great Britain alone, are now made in every quarter of the globe, and they are coming from protective countries into the markets of Great Britain to compete with what she manufactures, and throwing out of employment, in many instances, the very artizans who are descended from generations of industrial operatives in Great Britain.

Mr. LANDERKIN. Would the hon. gentleman leave the academy and come back to Parliament ?

Mr. FOSTER. I have a first duty to perform to my hon. friend to make up for something in which, possibly, he has been previously lacking, and to give him a touch of the academy before I come down to his comprehension. If Canada were to-night commencing anew and discussing the principle upon which she should arrange her tariff with a view to the development of her resources and of her industries, she would have this surrounding set of circumstances of which to take cognizance : that being young, without the advantages of wealth, with all the initial disadvantages of a new country and a comparatively undeveloped country, so far as industries are concerned, surrounded by older and wealthier countries, having generations of skill, with large industries competing for the marts of the world, and on a world-wide scale, and all earnestly and fiercely competing for trade in those industrial products which Canada herself might have to take for the consumption of her people. If she were in that position to-day it seems to me that the very same thing would have to be done which was done in 1878 when she first canvassed this question, when she first came to the decision that it was impossible for her to have the industrial development which she needed, and which was necessary to her progress and her permanence, unless she gave to her people the vantage ground of a measure of protection which would mitigate the fierce competition and the advantages which older and more skilled countries possessed against her ; and when she chose, as her policy, the well-known principle underlying the present tariff. In 1878 the Liberal-Conservative party espoused that principle, that party has existed on that principle up to the present time, it exists to-day upon that principle. More than that, it proposes to base its existence for many days to come upon that principle. One thing is certain, that so far as this Government is concerned, their policy is historic, it is definite, it is undoubted. I wish I could say the same of the party of hon. gentlemen opposite.

Some hon. MEMBERS. Ha, ha.

Mr. FOSTER. Will some one tell me what is the principle which they believe to be correct now—I mean the principle which, at this present time, is in favour with hon. gentlemen opposite ? I invite them now, and especially the hon. gentleman who sits opposite to me, early in the discussion, a discussion which is one of the most important this Parliament has ever entered upon, and upon the decision of which the people will poll their votes not many months hence——

Mr. CHARLTON. How many ?

Mr. FOSTER. I cannot tell my hon. friend. If I did so, he would know just as much as I do, and I never want an opponent to know as much as I know myself.

Mr. CHARLTON. Does the hon. gentleman know ?

Mr. FOSTER. I invite the hon. gentleman, who will speak in the course of this debate, to be frank in this matter, as he has never been frank with the country or with this Parliament in the matter of tariff, and to tell the people and to tell this Parliament just what he proposes as the principle, I do not ask him for the details, on which he will base his fiscal policy. The question is so serious and the consequences which hang upon it are so great, that the people will demand—and the hon. gentleman might just as well give it now as give it later—that he go to the country with a definition of his principles which will not have any doubt about it, but which will be plain, definite and clear.

HAS THE TARIFF RATE BEEN ABNORMALLY HIGH ?

The policy of protection, which was adopted in 1878, has been objcted to for several reasons, and just for a moment I wish to glance at two or three of the objections which have been made. In the first place, it has been objected to because of the alleged high rate of duty which it im-

poses upon products imported into the country ; and the attempt is made with many persons, who do not have the advantage of reading, discussing and understanding these matters as do gentlemen who are continually engaged on them, to show that the tariff under the protective system that has been in force in Canada since 1878, and which is in force now, is one that is abnormally and outrageously high. Let me discuss that question for a single moment. Is it high ? If there is to be a protective system at all, everybody knows that it must be higher in its inception than as the years gradually pass, when industries have become established and when the industrial development of the country grows apace. If a high degree of protection is necessary at any time, it is necessary in the initial years of a policy which adopts the principle of protection as its basis. Compare the rate of impost upon products coming into this country with that in other protected countries, and how do we stand ? Is the assertion correct, that the rate of impost in Canada under the protective policy is absurdly and outrageously high ? Suppose we compare it with other countries, not with France, which is a most highly protected country, but with the United States, and consider the actual figures as to what the imposts are in our own country. Well, Sir, if you take the average of the ad valorem duty paid on all dutiable goods imported into this country for home consumption from 1879 to 1893, you will find that in no year has the rate exceeded 31·85 per cent, and that the average of those years has been 28⅝ per cent. That is a refreshing and moderating fact when taken in connection with the assertion constantly made by the opponents of the policy that under it the imposts reach 40, 50, 60, 70 and 100 per cent.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. True in regard to trivial and individual items here and there, but entirely misleading, as tending to induce the public to believe that it is an outrageously high rate. That is a mode of argument which is open to hon. gentlemen opposite, but at least, we must confess that it has not the merits of open, candid and complete truth. The rate per cent of imports dutiable coming into the United States between 1879 and 1893 has never been below 43 per cent, and has gone up to 50 per cent, and the average of those years is 45⅝ per cent, on the imported dutiable goods for home consumption in the United States ; that is, Canada has this protective tariff that hon. gentlemen opposite have always denounced as being so absurdly and outrageously high. 17½ per cent lower than the tariff in force in the protective country by the side of us, the United States. But there is another point of view which for plain, honest and complete truth must be brought out. What the people pay as the amount of the impost can only be fairly taken and fairly put if you take the total amount of goods that are brought in for home consumption and used by the people. The very essence and concomitant of a national policy on the protective system is that while you build up industries in the country, you leave raw material which is not made in the country or grown in the country, free, as a basis of cheap manufacturing, and the dutiable list and the free list go side by side and have gone side by side under this policy; and the true measure of the impost and cost, so far as revenue is concerned, and so far as the people of Canada are concerned, is to find out what has been the duty rate on the total quantity of goods they have imported and consumed in this country. Taking that as a basis, what do we find ? That in no year from 1869 up to now, has there been more than 21·57 per cent duty upon dutiable and non-dutiable goods on an average as an ad valorem impost in this country, and that the average has been 19 per cent. In the United States there has never, until the last two years, been a less duty than 25 per cent ; it has become lower during the last two years, since raw sugar was taken off the dutiable list and put on the free list, but, notwithstanding that fact, from 1879 to 1893 the average impost on dutiable and free goods in the United States was 27⅝ per cent, while in Canada it was 19 per cent.

Mr. CHARLTON. What has it been in the United States during the last two years ?

Mr. FOSTER. In the last two years in the United States it has been 21·26 per cent, and 23·49 per cent. So that I think the contention is fairly made and is well founded, that if you take the

tariff as a whole and compare it with the tariff of protected countries, even as to the dutiable list, it is a moderate tariff on the average ; and if you take in connection with that the large free list which goes side by side with the list of imposts, the tariff is remarkably moderate, not exceeding at the present time 17½ per cent, or a shade below it.

THE TARIFF AND STAPLE PRODUCTS.

But there is another point of view to be taken, and that is that in Canada the National Policy, so far as the protective features are concerned, has laid no heavy hand upon the vast consuming population so far as staple products of consumption are concerned, and I desire to draw the attention of the House for a moment to this point. What are they ? The staples of living produced in this country have been benefited, in that the protective policy has kept the market from periodical and sectional demoralization, and that has been its value, and that is the value of the principle of protection so far as it applies to the staple products of the country, which are produced in surplus. But, with reference to these things, what is the truth of the matter ? In lumber, in brick, and in stone, which are the staples of building, this country has a surplus, and they are not enhanced in price. In the matter of fuel, of wood and of coal: the one abounds everywhere, the second abounds in different portions of the country in large degree ; and since the year 1887 the only remaining article of the fuel of the people, in the shape of anthracite coal, has been free. So that to-day the fuel that the people of this country need for warmth and for comfort, is free and untouched by the National Policy or its imposts. If you come, again, to the staple food of the country, its vegetables, its fruits, its grains, its meats, its dairy products, all of these grow in this country to a surplus, and the National Policy lays no heavy hand of impost upon them. They are raised here, they are raised in surplus, and, so far as the energy and power of the people is concerned, they are hampered to no degree by the National Policy. The tea, the coffee and the sugar of the people have also been made free under the National Policy—although that was a boon which could not be given by hon. gentlemen opposite under their revenue policy—and millions of taxation have been remitted from all classes of the people, especially the poorer people, on those products alone. The National Policy has laid no heavy hand on the people so far as the consumption of these articles goes. Let us come to the staple articles of wear : the boots and shoes, upon which there is a tariff of 25 per cent, but every man knows that in Canada boots and shoes are made as good and bought as cheaply as they are in any country in the world. On the cottons that are used by the people, the average tariff has been about 28 per cent, and cottons to-day can be bought in Canada, taking quality and price into account, as cheaply as anywhere else in the world.

Some hon. MEMBERS. No.

Mr. FOSTER. Taking quality and cost into account, I say yes. I have had two pieces of cotton placed before me, bleached cotton.

Mr. CASEY. No.

Mr. FOSTER. Actually yes. My hon. friend may never have seen the like, but I have. One of these pieces was a Canadian cotton and the other a foreign cotton, and. to look at them, they appeared equally good ; but if you tore the foreign cotton, the sleeves of your coat would be covered with the clay filling with which it abounded ; while, if you tore the Canadian cotton, you had the strong, steady fibre. Take the woollens of the country. There has been an average impost upon them of but 30 per cent, and the woollen consumers of Canada have been well supplied with good material and cheap. Even take the iron that has been used in the country, upon which my hon. friend opposite has declared undying and unrelenting warfare, and with reference to which he has declared, that the moment he comes into power every item of duty goes off from iron. The hon. gentleman nods his assent to that one part of the principle of his tariff, which is the only one I have been able to get from him. But, Sir, it may surprise my hon. friend, who has probably not looked into it, to know, that if he will take the imports of iron into this country last year, and calculate the ad valorem duty on the whole of them, it only amounts to 22 per cent. So that, even with the outrageous iron duty that is spoken of so

much, when you take the high-priced, the low-dutied and the free together, the average ad valorem duty last year amounted to about 22 per cent These are the four great staples of manufactured products, and in that regard I hold that the National Policy has laid no heavy hand upon the people of this country, so far as the consumption of these articles is concerned.

Mr. LAURIER. Surely, you are not going to amend this very perfect tariff ?

Mr. FOSTER. My hon. friend wants me to tell him two hours in advance what I am going to do.

Mr. LANDERKIN. The chances are even yet.

Mr. FOSTER. They are even yet. Now with regard to the luxuries. The tax in this country under the National Policy has not been excessive and the rate which has been placed upon luxuries is a rate which they are quite able to bear, and which in any form of the tariff they should bear in their contribution to the public service.

ABOUT ENHANCING THE COST.

Another objection that has been made to the National Policy and to the protective principle in it, is: that the cost of many manufactured goods has been enhanced to the consumer on account of the rates imposed. Now, Sir, I grant that argument at once to a certain extent. I say that in the initial years of a National Policy with a protective principle in it, it will have the effect of enhancing the cost of goods, and that at the first the cost of goods will be very closely up to the measure of the protection which was given. If it does not have that effect why should it ever be adopted at all and what is the good of it ? The fact that you have a country which is not in its then present condition able to compete with the great industries and competitive powers of the world, shows that it is necessary that they shall have a vantage ground upon which they may collect their forces, upon which they may deploy the industrial activities, upon which they may gain experience, and in which they may get skill ; and the object of a protective tariff is to give that vantage ground, and in giving it I frankly admit that in the initial stages the price will be raised to a certain degree. But I want to meet my hon. friends opposite on this argument of theirs, which again is not altogether truthful and perfectly honest. That is : that in their speeches before the country and in their speeches in this House, they tax the National Policy with raising the cost to the full amount of the duty which each article bears at present. Now I say that that is unfair. I affirm that the only measure of rise, the ultimate measure of rise in cost under the National Policy is, the difference between the impost that it puts upon a certain line of goods and what would have been put upon that line under a revenue tariff, and a tariff for revenue purposes only. And I say this : that if hon. gentlemen opposite reproach the National Policy with a 30 per cent tariff upon hardware, while they put a 17½ per cent impost upon it ; in perfect fairness all the cost they can debit to the National Policy is the rise between 17½ per cent and 30 per cent, or 12½ per cent. If they thought it was necessary to put a tariff of 17½ per cent upon boots and shoes for revenue merely, with the incidental protection that it gave, and if the duty on boots and shoes to-day is 25 per cent, do not debit the National Policy with the full 25 per cent of rise, but debit it with what properly belongs to it, namely, the 7½ per cent. Let us go further than this. Go back to 1878 and calculate the ad valorem equivalent upon all goods dutiable and free brought in to this country, and it is 14 per cent. Calculate it to-day and it is 17½ per cent, and debit the National Policy with what belongs to it, namely, a rise on the total consumption of the country of 3½ per cent. Now, Sir, I have been frank to admit that, in the initial stages of a protective policy, the prices of goods manufactured under it will be enhanced; but I am here to state another fact, and that is, that as capital invests itself, as industrial establishments multiply, as they become diversified and distributed throughout the country, the power of internal competition comes in to take the place of external competition—a competition in many cases more keen and destructive than the foreign competition, owing to equal conditions of production and equal conditions of carriage and distribution in the country. It is one of the most patent facts in the history of the National Policy here, as in the history of protection

in the United States, in Germany, and in other countries—and a fact that cannot be contradicted—that, although there is at first a heightening of prices, they tend to come down, by the multiplication of industries and the competition which results therefrom, until the producers sell simply at the cost of manufacturing, plus a merely living profit.

THE GENESIS OF PROTECTION.

But, Sir, a crowning objection that hon. gentlemen take to the National Policy is that it is an offspring of greed and selfish cupidity on the part of the few—of a desire amongst some to rob, and an acquiescence by the great majority in being robbed, until the process is legalized; and then it becomes, as my hon. friend says, legalized robbery. The very force and vehemence of an assertion like that disproves it. This is a free country; the free men of Canada are an intelligent people, and they make their representatives understand what they want; and their representatives right quickly put on the Statute-book what the people make them understand they think ought to go on the Statute-book. There is the straightest and freest communication between the legislative power and the constituencies which are the basis of the legislative power; and no long years of dilly-dallying, no long years of delay, take place between the expression of the people's sentiments at the polls and the crystallization of that sentiment on the Statute-books of the country. And to say that a system like this, canvassed from one end of this country to the other in 1878, before an intelligent Canadian electorate—canvassed ever since, and decided four times at the polls, and always by the same intelligent electorate—can be set down as the cupidity and selfishness of a few to rob the people under the guise of law, is to make one of those assertions, so extravagant, and consequently so harmless, that I wonder hon. gentlemen opposite have not reformed their methods in this respect, and come down to milder and more moderate language. I say, Sir, that there was a nobler sentiment and a stronger reason for the adoption of the National Policy in 1878 than the one just given. I look upon it that the National Policy in 1878—whosesoever brain conceived it, wherever the plan came from—came at the right moment, and in answer to a sentiment that was growing and developing in the country—the sentiment springing from a growing knowledge of Canada's resources and Canada's greatness; a sentiment of hope and aspiration. Every awakening feeling of a people coming up into stronger and lustier manhood at that time, took hold of the idea that was embodied in the National Policy. They said this: Here we are, on this continent, a small people, widely separated with geographical difficulties, but with immense and almost boundless natural resources; we cannot make up our minds to live always as a people simply giving our attention to one kind of work, and one kind only; these resources must be developed; those varied industries which have made the life of all great countries, which are indispensable to the life of every great country, must be planted, and permanently planted, in this country as well; and with our present position, and in the competing circumstances and disadvantages around us, there is no way by which we can do that other than by making the necessary sacrifice—by obtaining for ourselves the vantage ground, even though we have to pay for it at first, in order that those industries may be developed, and in order that we may grow up to be a progressive and self-dependent people. That was the principle taken hold of and embodied in the National Policy in 1878, and to that principle the people of Canada have been true and steady at every polling, and in every election ever since.

THE RESULTS OF PROTECTION.

Now, Sir, another statement which has been made widely by hon. gentlemen opposite—another of those mild and moderate statements—is that this policy and this system has been a blight and a curse to Canada.——

Sir RICHARD CARTWRIGHT. Hear, hear.

Mr. FOSTER. And my hon. friend is kind enough to emphasize the assertion which I have made, in his usual emphatic way, and in doing so, to help me in the answer which I am going to give to that statement. If the National Policy and the protective system has been a blight and a curse to Canada, it has had a very odd way of showing it. Take the period covered by the National

Policy, and contrast it with any other period in the history of Canada's growth ; has there ever been a brighter, a stronger, a more prosperous, a more progressive period ? And this result has been achieved—it is the dark spot in the prospect—notwithstanding the fact that the National Policy has been depreciated by nearly one-half of the people of this country, who belong to one political party, and despite the groans and sighs and lamentations and objurgations of hon. gentlemen opposite that have been launched against it. I would not find fault if they had been launched simply against the policy ; but the trouble is they have been launched against the country as well. In the creation of despondency in blighting hope and aspiration, these hon. gentlemen, by the very vehemence and absurdity of their language, have been themselves what they declared the National Policy was —a blight and a curse to this country. Thousands of people are to-day, far distant from Canadian homes, in countries to which they wish they had never gone, and which they would be glad to leave ; and they are there for what reason ? Because, Sir, of the sad and doleful pictures and prophecies of hon. gentlemen opposite.

Some hon. MEMBERS. Oh, oh.

Mr. FOSTER. Hon. gentlemen may treat this matter lightly and assume a careless countenance, but it shows rather a selfish and callous heart after all when they must know that their lack of faith in and their depreciation, of Canada have caused the expatriation of thousands of their too confiding countrymen, the vision of whose privations and distress should haunt them nightly in their dreams and daily in their thoughts. But, Sir, if this National Policy was a blight and a curse to the country, it has had an odd way of showing it ; for, from 1878 to the present time, the revenues of this country have been buoyant and abundant, and the deficits which were numerous under hon. gentlemen opposite, have disappeared, and surpluses have taken their places. The $6,000,000 minus sign has become $20,000,000 with a plus sign. Capital expenditure, for the last fourteen years, has been aided on an average of one and a half millions yearly or more, by the overplus from Consolidated Fund revenues. The credit of the country has steadily advanced and the interest rate on our debt steadily decreased. The financial conditions of this country have been sound, though our people have taken, during these late years, as it was right they should, every counsel of prudence. In the periods of stress and storm, which have recurred from time to time, in the cycle of fourteen years, Canada has stood the strain better than ever she did during similar periods before, and comparatively with other countries has passed them well and come out of them prosperously. In those fifteen years, our record has been one of progress. The locomotives of Canada to-day travel ten thousand miles more of rails than they did in 1878. They transport 8,000,000 more passengers and 17,000,000 more tons of freight, and they earn $33,000,000 more. They pierce every portion of the older provinces, they extend like a network through the North-west, and reach the sea shore of British Columbia, and with our canal system, which has been enlarged and extended, with our steamships plying from ports on the Pacific and the Atlantic to all points of the compass, they form great lines of transport, developing Canada, binding together the different parts of the country, furnishing means of outgo and carriage for our surplus products, and bringing closer together the colonies and the mother country. That is the record written in broad lines, and it does not bear out the assertion that the National Policy has been a blight and a curse to this country. The condition of the people has improved. The $87,000,000 of earnings, which they had saved in 1878, has become $243,000,000, an increase of 180 per cent. The aggregate wealth, comfort and happiness of the people have increased enormously as regards themselves, and comparatively as regards other peoples ; so that to-day it is a truism—no argument is required but the bare statement is sufficient—that the people of Canada, taken as a whole, are as prosperous and comfortable as the people in any other part of the world. This makes out, I think, a strong prima facie case against the assertion that the National Policy has been a blight and a curse to this country. It has changed the whole face of business in this country. Old industries have been broadened and enlarged ; new ones have been introduced ; there has been a great diversi-

fication of industries. Read the census of to-day.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. My hon. friends read it as some people read the Bible, to find just what they want and nothing else, but if they read it carefully and read it all through, they will find evidences of diversification which bear out my assertion that almost everything required in this country is to-day made by the mechanics, artisans and work people of Canada. Our industries have not yet overtaken the home consumption of the people, but are gradually growing up to the point of meeting the consumptive demand in the country. Look at the lists of raw material which have been brought in and which show the progress of our manufacturing industries. Let us take some of the principal ones :

Imports.	1878.	1893.
	lbs.	lbs.
Wool	6,230,084	10,503,645
Cottons	8,011,759	40,263,333
Raw sugar	19,876,872	252,644,060
	$	$
Hides, &c	1,202,390	2,045,175
Rubber	187,234	862,113
Jute	3,770	380,577
Lumber and timber(foreign)	205,984	877,364
Veneers	10,541	80,038
Hemp	199,179	1,150,134
Furs and skins	148,909	785,433
Raw silk	32,004	206,471
Corkwood	12,095	72,963
Broom corn	89,954	146,987

Pig and scrap iron, which in 1878 was introduced to the amount only of 34,000 tons, was imported in 1893 to the amount of 107,000 tons, while 48,000 tons were made in this country itself. These things show the wonderful increase and expansion in industrial developments which has taken place. Under the regime of hon. gentlemen opposite, most of our manufactured goods we would have imported from abroad, paying the artisan and the workingman in the foreign country. Under our policy we import the raw materials duty free, we make them up, and Canadian capital, Canadian brawn and Canadian brain has a chance to do this work. My hon. friends opposite are so much in love with the census that I must give them some more figures from it in order to inform them upon some points which they have not found within its columns.

Cheese factories,	value of produce,	1891..	$ 9,784,288
Flour mills	do	do	52,416,586
Sugar refineries	do	do	17,127,100
Meat, fish, fruit and vegetable curing...			16,057,968
Total.....			$95,385,942

—	Iron and Steel industries.		
	1881.	1891.	Increase.
Establishments, No.	9,312	11,024	1,712
Employees.....	36,846	49,104	12,258
Wages..... ..	$11,383,576	$18,188,777	$6,805,201
Raw material....	16,351,205	27,923,051	11,571,846
Finished product.	37,056,037	64,563,222	27,507,185

The wood industries in 1881 had an output of $59,022,196, and in 1891 this output had become $80,536,737. Leather industries, boots and shoes show an increase of $1,124,478 ; saddlery and harness, $648,028. Textiles show an increase from $13,258,197 to $17,472,226 as between 1881 and 1891. Cheese factories show an increase of $4,319,834 ; flour mills, $10,654,214 ; sugar refineries, $7,500,000 ; musical instruments, $2,143,618 ; paper and pulp mills, $2,147,850; furriers and hatters, $1,631,980 ; tobacco and cigar makers, $2,682,219. The wages paid in Canada in the wood industries as between 1881 and 1891, shown an increase of $6,994,223 ; leather industries an increase of $794,331 ; textiles an increase of $1,767,659 ; food industries show an increase of wages of $1,864,921 ; musical instrument manufactories an increase of $555,400; paper and pulp mills, $693,101.

Sir RICHARD CARTWRIGHT. I ask the hon. gentleman's pardon for a moment. In speaking of "textiles" I understand him to mean all kinds of woollens as well as cottons, and so on.

Mr. FOSTER. Yes. Furriers and hatters show an increase in wages of $161,669. Taking these and a few other industries which I have given, the total increase in wages in 1891 over 1881 is $19,580,044.

Mr. CHARLTON. Would the hon. gentleman be kind enough to give the total amounts for 1881 and 1891, so that we may judge of the percentage of increase as well as the total ?

Mr. FOSTER. I am anxious to give my hon. friend all the information I can, but it happens that I have not the totals by me, and I must ask him to exert his investigating faculties for the information required.

Mr. CHARLTON. I judge the hon. gentleman might do that himself.

Mr. FOSTER. The following is a summary of Canadian industries by the census returns :—

—	1881.		1891.		Variations.			
					Increase.		Per cent.	
	No.	$ cts.	No.	$ cts.	No.	$	No.	$
Number of establishments	49,923		75,768		25,845		51·8	
Capital invested		165,302,623		353,836,817		188,534,194		114·
Number of employees	254,935		367,865		112,930		44·43	
Wages paid		59,429,002		99,762,441		40,333,439		67·86
Cost of raw material		179,918,593		255,983,219		76,064,626		42·3
Value of products		309,676,068		475,455,705		165,769,637		53·5

So that my assertion that a notable change has taken place in the industrial life of the country in this period of the National Policy is substantiated by the best statistics at our command, statistics which, taking them as the basis of comparison between 1881 and 1891, are reliable, the statistics of 1891 being as reliable and even more carefully collected than those of 1881. But, Sir, there have been great changes in fourteen years in the imposts put upon the people, and I invite the attention of hon. gentlemen opposite for a moment to this point. The history of the National Policy has not been wholly a history of raising the import duties, although hon. gentlemen opposite are fond of so representing it. The National Policy has had two attendant features which should be noted. The first is that, while changes were made in the imposts upon dutiable goods, the free list has been constantly expanding, and to-day it is very large. Another is that burdens and imposts have been repeatedly taken from the backs of the people from 1880 up to the present time, and that by the very persons who supported and believed in the National Policy. Now, Sir, if you wish to debit us with all the imposts we put on under the National Policy, be equally frank and honest in giving us credit for those we have taken off—and they are neither few nor trival. Sir, in the matter of bill stamps and newspapers, taxes were taken off. So far as the second is concerned I am not prepared to say that the change lightened the burdens of the people, but it lightened somebody's burdens certainly, and if the benefit did not go to the people generally, it went to that very enterprising class of people in our country who disseminate information for us, and very often give us information that we could get in no other way. But when we come down to other things, there can be no doubt about where the benefit went. Hon. gentlemen opposite, when in power, taxed tea 5 and 6 cents per pound ; under the National Policy that tax was taken off. They taxed coffee 2 and 3 cents a pound ; under the National Policy that tax was done away with. The tax on anthracite coal, which at the beginning of the National Policy was 50 cents per ton, was taken off in 1887, and anthracite coal has been free ever since, representing a lessening of duties to the tune of about three-quarters of a million dollars a year. The duties on glass have been reduced ; the duties on salt have been reduced ; the duties on molasses have been reduced one-half ; and, more than all, three years ago the duty on raw sugar was completely taken off, remitting taxation to the amount that had formerly been collected.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. My hon. friend says "Hear, hear," no doubt with a flickering idea in his mind that when we admit that, the duty on raw sugar being taken off the taxes of the people were so much lightened, therefore we have admitted that a duty under the National Policy is always a tax. But there is every difference between a duty on an article which is made in this country,the like of which on entering the country has to meet this impost, and an article not made in this country, every cent of an import duty upon which must come directly from the pockets of the people. So the remission of three and a half million dollars of duties on sugar was an actual, positive and immediate benefit to the tax-payers of this country, a benefit well diffused over every part of this country. So that, taking these things altogether—and I ask my hon. friend's attention to this—the aggregate amount of taxation remitted since 1882 on the articles I have enumerated amounted to $29,500,000, or an average of about $2,500,000 a year. For 1892-93, I have had the pleasure of announcing in Parliament that we had a surplus of $1,354,000, had we kept the taxation on these articles, taxation which was imposed upon them, when the National Policy had its inception or in its first years, I should have had to add to that surplus the sum of $5,600,000, which would have represented so much more taken from the pockets of the people. I have thought it not unnecessary, Mr. Speaker, to enter upon these observations before coming more particularly to the work of explaining the revision of the tariff, and I have done it because of the oft repeated objections which have been made to the principle of the tariff, and because I think it well that they should be brought up in Parliament, and that the arguments in reply to them should be stated to the people of this country.

THE PRINCIPLE OF PROTECTION MAINTAINED.

Now, Sir, there have been many changes since 1878. Since the inception of the National Policy, fourteen years have gone by. Changes have taken place in the business conditions of this country itself, changes in the value of raw material and of manufactured products, changes which, so far as the ad valorem equivalents of duties are concerned, have made a very great difference as to the nature and rates of imposts between those times and the present day. The industries of this country have, many of them, well established themselves. The amount of protection which they needed before, they do not need to so great a degree to-day ; and for some years an opinion has been gaining ground among the people that the time for a revision has come, an opinion which was recognized by the Government when they said to Parliament last year that the time had come for a complete re-examination of the whole matter of our tariff arrangements in order that the anomalies existing might be done away with, and that the tariff might be brought level with the existing circumstances and changed conditions of business, not only in Canada, but in foreign countries, at the present day. Those changes have taken place, and those changes have been recognized. I wish again to state as forcibly as possibly that the argument—not strong at all; but used largely, and tending to deceive in some regards, if not carefully considered—that the argument is completely baseless, that the policy of protection depends upon the per cent of impost that shall be put upon a certain article. Because the Government recognizes, as all people recognize, that the conditions of business have changed within the last fourteen years, and that it is well to rearrange the tariff to suit those changed conditions, does not justify the conclusion that therefore the Government have gone back upon the principle of protection, or denied the cardinal principle of the National Policy. Such reasoning is inconsequential, and an argument which has neither logic or force. I wish to state here that the Government of to-day, and the party which supports the Government of to-day, take their stand squarely and firmly upon the embodiment and upon the preservation of the principle of protection in the tariff, the degree of that protection to be according to the circumstances of the industry and the conditions of business and of trade at the present time. But, when they do that, they are not to be taunted with going back upon their policy. The argument is not sound, and cannot fairly be used, that they have therefore repudiated the cardinal principle and plank of their policy for the last 14 years. So that these changes, as I have said, having been recognized it becomes necessary for the Government to carry out its pledge given last year in Par-

liament, a pledge which was lightly treated by some hon. gentlemen opposite, who thought we were simply turning the corner, who thought we only wanted to shelve the question for another year and, perhaps, to go before the electorate, to get ahead of the hon. gentlemen opposite and steal their clothes —if indeed they have any political clothes worth stealing. Their clothes have become so variegated within the last six or seven years that they outrival Joseph's coat of many colours. Whilst we to-day take our stand upon the principle of protection in the tariff, will hon. gentlemen opposite be equally frank and say upon what principle they will take their stand? Will my hon. friend tell the House to-day, what he told the people of Ontario last year, that he would make a tariff out of which every vestige of protection shall be exorcised?

Mr. GILLMOR. Yes.

Mr. FOSTER. There is one honest free trader in this House, and he comes from Charlotte county, N.B., who has no hesitation in saying what his principles are, who does not seek to befool or befog the people by stating in a roundabout way what he proposes to do. He is frank enough to say that, if he were in power, he would apply the principle of free trade and take every vestige of protection out of the tariff of this country. Let me tell that hon. gentleman that if he is following the leader of the Opposition with the idea that when he gets into power at some future time—I do not know how far distant—he will exorcise every vestige of protection from the tariff, he has pinned his faith to a broken reed. In the first place, he will not be able to do it; in the second place, it is perfectly impracticable and impossible in this country.

Mr. GILLMOR. It is not impossible. You cannot find a bit of protection in the British tariff.

Mr. FOSTER. I think I could.

Mr. GILLMOR. Then you have got to hunt for it.

DIFFICULTIES AND METHODS OF REVISION.

Mr. FOSTER. I have to acknowledge that in coming to a revision of the tariff and a rearrangement of it at the present time, there are two difficulties that have to be met. The first difficulty is the depression prices which exist over a large part of the manufacturing world to-day, and which are now based on abnormal conditions; and the other difficulty is the fact that we are face to face with a revenue which is not increasing, but, on the contrary, is rather falling. These two causes make it difficult to-day to revise and arrange the tariff, and they must both be taken into account in the consideration of the recommendations which the Government are to place before this House. The brief review that I made of the financial situation as regards the months that have passed of the present financial year, will be sufficient to show the House that we do not expect this year, and we do not expect next year, any considerable surplus; on the contrary, we expect that it will require the closest economy in order to keep the expenditures within the revenues that come into the consolidated fund. But, taking these two things into account, both the depression prices that exist and the necessity for not paring off the revenue too largely, the Government has come to its conclusions with reference to the tariff, and is prepared to submit them to the good judgment of the House, and of the country. Now, there are some things that I have not attempted to do, that the Government have not found it possible to do, in the rearrangement of this tariff. It has not been possible to proceed upon any fixed rule of uniformity, any fixed plan of horizontal reduction. The tariff which was made in 1878 was a practical tariff, and the tariff which is to be arranged during this session must also have that feature, if possible, of being a practical tariff, and must take cognizance of the varying conditions of different industries, and must mete out to them, on the principle which we have stated, the protection which is reasonably due to them, and necessary in order to maintain possible industries in their position in this country. Neither has the Government found it practicable to adopt any hard and fast rule with reference to the vexed question of specific and ad valorem duties. Some condemn specific duties entirely; others favour specific duties, especially on certain lines. I think the truth lies between the two ex-

tremes. Specific duties, in some respects, are absolutely necessary to guard against frauds of valuation ; in other respects they are useful in inducing the consumption of a higher and healthier, and better grade of article. Every customs-house officer, of course, delights in specific duties ; they are not complex, and the importers of the country find it easy to make their calculations under them. The chief argument to be used against specific duties is where they are applied to a wide range of useful articles varying in price.

Mr. MILLS (Bothwell). Woollen goods.

Mr. FOSTER. If the hon. gentleman thinks that is one article, we will say woollen goods. And where the specific duties act so as to raise the rate upon the cheaper though good articles, thus discriminating against a class of consumers in the country. In a case of that kind, the argument for ad valorem duties is strong ; the argument for specific duties is equally strong in other respects.

Sir RICHARD CARTWRIGHT. If the hon. gentleman will permit me to make a suggestion, it is that as he appears to be somewhat tired, six o'clock might now be called, and the hon. gentleman might resume after recess.

Mr. FOSTER. I prefer to proceed, as I desire to close a certain part of my statement before six o'clock. One main object has been to simplify the tariff an make it clear. Its 665 items of dutiable goods have been, as the House will see, very considerably condensed. Three schedules have been made ; one for dutiable goods, one for free goods and one for prohibited goods. They have been arranged in the first schedule under classes alphabetically, and in the other schedule simply alphabetically, and the aim has been where items conflicted, to have them harmonize, and where there were grades of goods of different kinds, but yet which blended with each other, so as to make it difficult for the appraisers and custom-house officers to tell the difference between them, to place them under equivalent duties and thus avoid the inconvenience, the vexation and the confusion that arose from conflicting claims as to the quality of the article and the item under which it came. As far as it could possibly be done, special exemptions have been struck from the list, although as they have existed from the first and industries have grown upon them, it has been found impossible in all cases to strike them out, and in some cases the necessities of the situation seem to demand their continuance. The prime object in view has been to cheapen the cost of manuractures in this country, to cheapen the cost at which the goods issue from the factory itself ; for there is another fact of which people think too little and which is not clearly treated even by those who do know it, and that is, that the cost to the consumer and the cost of the goods as they issue from the manufacturer are two very different things. I have in view to-day an article in very wide consumption which the manufacturer places on the shelf of the seller for 1¾ cents per package, and it never realizes less than 5 cents per package. Coal oil was sold at Petrolia for 9 cents per gallon, and the cost of carrying it to a certain town was 2 cents per gallon, and yet it was sold in that town at 25 cents and 27 cents. Innumerable instances can be found of large increase of cost on goods from the time they leave the factory until they get into the hands of the consumer, and that has militated and has been made to militate unjustly against the policy and the factory itself. All I ask is, that in looking at the ultimate cost of the goods to the consumer, the manufacture should be looked at apart from the distributing agency ; the cost at the factory should be considered by itself and the cost of distribution should be considered as well, for very often it has been found, and it will be found in the course of any investigation, that although the factory made the goods cheaply and sold them at a very small advance, the cost of distribution was large, and the ultimate cost to the consumer was therefore large. Two ways have been adopted for cheapening the cost of goods, one by lowering the duty upon raw material, and by transferring raw materials from the dutiable to the free list. It has been found in the course of the work that we had pretty well exploited that division of the subject already, and that in this country almost all the great staples for manufacturing were already on the free list, in contra-distinction to our neighbours to the south, where they are to-day fighting over the vexed question as to whether or not wool, a great staple for a large industry in that

country, and an article of enormous consumption, shall bear a tax of 11 or 12 cents per pound or be placed on the free list. In 1893, $121,000,000 worth of goods were entered for home consumption ; of this amount $52,000,000 represented free goods, the large proportion being raw materials for manufactures. The duties which have been placed on different articles have been regulated according to the vigour and the development of the industry itself, according to the conditions of competition outside, accord ng to the advantages that home production has for various reasons in our own market, and according to methods of business in some cases as well. When any person undertakes to look at the effect of the duty which is placed in the revised tariff upon a particular article in which he is interested, he should not simply look upon the impost placed upon that article, but he should look as well at the list to which free goods have been transferred from the dutiable list, and to the dutiable list where articles which are raw material have been reduced so far as import duty was concerned. Whilst endeavouring to sacrifice no industry which can reasonably hope to maintain itself in this country, so far as it can be done by the imposition of a reasonable duty which will give it sufficient vantage ground to maintain itself here, employing labour and paying wages into the hands of labour, to be used again in buying the products of the farmers, we have endeavoured to take these matters into account, and by a reasonable protection to retain all those industries which are in the country which employ labour, and which work up the raw material of the country or use imported raw material and which industries are consequently benefiting the country. But I wish to say this as well ; although we have been accused often of seeing none but the selfish interests, as they are called, of those who are engaged in these industries and who want protection, the Government has had many opportunities of making themselves well acquainted with the views and requirements of the consumers as well, and whilst trying to make every reasonable provision for industries that exist, so far as I am concerned I have felt it to be my duty to represent the interests of the consuming population of this country, as well as the interests of its industries, in order that not only the consumer shall get the benefit which accrues, but that the industry shall be kept as well ; for it would be of little avail in this country that an operative should be able to buy his goods at a cent a pound, or a cent a yard less than at present, if he did that under a condition of things which would keep him from earning the wage with which it was necessary to get the wherewithal to pay for that which he bought. It is very well to have in this country consumers who can get what they want as cheaply as possible, but it is well also to have consumers who, by virtue of invested capital, and by industries in the country, have a place where they can find their daily work, from which they can draw their daily wage and have the money to pay for that which they consume. Now, Mr. Speaker, I have travelled over the most of the ground that, I think, intervened between the commencement of my remarks, to which the House has most kindly listened, and the explanation of the different tariff items.

It being Six o'clock, the Speaker left the Chair.

After Recess.

THE AGRICULTURAL INTERESTS CONSIDERED.

Mr. FOSTER. Mr. Speaker, when the House rose at six o'clock I was saying that in the tariff revision it has been the aim of the Government, while seeing that industries are reasonably protected in this country, to also see that the rights of the consumers are carefully looked after, and that all classes and all conditions of the people shall have fair consideration in the arrangement of the tariff. If there has been any exception at all with reference to any class, it has been in the view that has been taken with reference to the incidence of taxation upon that large and worthy class of people in Canada, the foundation of its progress and the hope of its future, namely : the agricultural classes. With reference to those, I think I may say truthfully that the Government in preparing its tariff has acted sympathetically. This class of the people, distributed as they are over every part of the Dominion, working their fields and farms, producing that which is the basis of all supplies, becoming ultimately the consumers of a large proportion of what is made in this country, and what is imported into this country, having to struggle with various difficulties—diffi-

culties often of low prices, difficulties of competition in the great markets of the world—I say that this class demands at the hands of the Government, as I propose it shall receive, a sympathetic and favourable consideration. That is not saying that, in my opinion, the agricultural interests of the country have not been the object of solicitude by the Government. I think they have been, and I think the Liberal-Conservative Government since 1878 has pursued a course of constant and unvarying care for the interests of the farmers of this country.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. Our friends in Opposition have had much sympathy and many fair words for the farmers. Of course, they have not for the last fourteen years had a chance to accomplish very much so far as deeds are concerned. But the record of the five years during which they occupied office, from 1873 to 1878, indicates no special consideration and no special care for that class. I may say, with reference to the agricultural classes of Canada, that the Government and the Liberal-Conservative party have shown their sympathy with the farmers in what they have done—first, in the protection that they have given to the products of the farmer, the protection which, as I said in a former part of my address, was not so much with the object of raising abnormally the prices of their products, as of steadying the market for them and preventing sectional and periodical inroads upon them, with the result of lowering the fair market value of what they produce. I wish to adduce some figures to show what has been done for the agricultural interests of this country. In 1877, there was entered for home consumption, of imported agricultural products, animals and their products : from Great Britain, $56,588 worth ; from the United States, $16,066,963 worth ; from other countries, $7,798 worth, making a total of $16,131,349. In 1878 these imports for home consumption amounted to $15,050,930, and in 1879 to $10,420,344. The National Policy did its work, and the result was that the importation of these products fell to $4,240,849 in 1891, to $3,092,452 in 1892, and to $2,741,733 in 1893. In other words, in the three years, 1877, 1878 and 1879, there was an average annual import of these products for consumption of $13,867,541, whereas in the last three years there was an average annual report of the same materials for home consumption of only $3,358,344. If we turn again to the imports of flour and grain of all kinds, including pease, which come entirely from the United States, we find that the imports for home consumption were : in 1877, $13,855,879 ; in 1878, $13,452,460 ; but in 1892 these importations had fallen to $1,345,294, and in 1893 to $1,339,429. But, as an instance of the special protection accorded to certain products of the farmer in 1889-90, I will read the results as I have collected them. It is well known that at that time the imports of bacon, hams, shoulders, beef, mutton, pork and lard were very large, displacing by that much the same products of the Canadian farmer, and affecting him in two ways : in the first place, depriving him of part of the market which legitimately belonged to him ; and in the next place, taking away from him his desire and encouragement to produce those products for a market which should be reasonably well assured to him. Well, Sir, the protection on these products to the farmer was increased in 1889-90, the result of which has been as follows :—In 1888-89 the imports of these articles amounted to 31,131,746 pounds, and in 1889-90 to 33,112,701 pounds. Then came the legislation, and in the succeeding year, 1890-91, the imports fell to 17,400,504 pounds in 1891-92 to 13,486,880 pounds, and in 1892-93 to 6,999,051 pounds. That is, in 1889-90 this country afforded a market for these products from the United States to the value of $1,734,225 ; but in 1892, under the increased protection, that had been reduced to a market for only $452,812 worth. That shows indisputably that the farmers have been given control of the market of Canada, and that they have risen to the height of the demands for consumption in this country, and have been able to avail themselves of this their legitimate market by means of the protection given to these products. They have had just that much more market for them. But another consequence is to be noted : the production of those articles has been stimulated. The fact that the farmer finds a home market ready for what he produces, gives him the basis of a stock-in-trade on which to work ; he works on that and enlarges it, and then he looks to the foreign market for the disposal of his surplus product. What

has been the effect of that? In 1877 the farmers of this country sent, of agricultural products and animals and their products, to Great Britain $13,437,762 worth, and to the United States $10,198,297 worth, or a total of $25,123,396. In 1878 that total was increased to $27,644,636 worth, distributed--$17,308,793 to Great Britain and $8,984,025 to the United States; and in 1879 increased to $29,813,771, distributed—$17,690,006 to Great Britain and $10,869,275 to the United States. The average exports of those three years amounted to $16,145,520 to Great Britain and $10,017,199 to the United States, a total export of $27,527,267 yearly. Coming to 1892 and 1893, the exports to Great Britain in 1892 reached the sum of $36,869,595 and the exports to the United States the sum of $6,043,099, a total of $46,145,590. In 1892-93 they were to $40,420,681 to Great Britain and $6,020,992 to the United States, a total of $49 235,106. Taking the average of these two years, the average exports of these products to Great Britain was $38,500,000; the average export to the United States amounted to $6,333,000; and the total averaged $47,690,000. That shows that the farmer has benefited in two ways. He has gained the control of the market, which is properly his own, in this country. He has displaced, through the aid that protection has given him, the products that formerly came in from the United States, and in consequence of the better position thus acquired, he has gone into the cultivation of these products more largely and sent the surplus to Great Britain and the United States—notably Great Britain—until last year the export reached the very large sum of $49,235,000. In this respect the National Policy has benefited the farmer. It has done more. It has provided experimental farms, at a very generous cost, from the Treasury. Experiments have been made, bulletins issued, competent teachers have gone throughout the country giving the results of their operations and experiments, teaching the people the elementary principles and the latest results of science and the best business methods in the raising of their various products. Further, at a great cost, this policy has, for the last fourteen years, provided transport for the farmers' products going out and for the articles they consumed coming in—a transport system which goes into every corner of the country, and which, for excellence and cheapness, is not surpassed by that of any other country in the world. Is not that a great advantage to the agriculturists, scattered throughout the country and depending on these means for the easy access of their goods to market, and benefiting by the better result from the sale of their goods, through the cheapness of transport thus afforded? These are two or three considerations which, I think, make my contention good, that the farmers' interests have not been neglected by the Government heretofore, and support my assertion that, in the revision of the tariff, his interests will again be found not to have been neglected.

THE CHANGES IN THE TARIFF—TOBACCOS AND LIQUORS.

Now after having made these observations generally and specifically with reference to the tariff, I come to the items themselves. The first item in the schedule of dutiable goods is that of liquors and tobacco. In tobaccos we have made no change whatever. In spirituous liquors we have made no change whatever. With reference to malt liquors, we have made one change. It will be remembered that two or three years ago, when I undertook, in the face of a fairly buoyant revenue, to reduce that revenue by $3,500,000 or more, I had to have recourse, for a limited period at least, to some speedy method of recouping the great drop in the revenue caused by the reduction of the sugar taxation. I did so by putting a larger duty—although small in degree—upon tobaccos; by heightening the duty to a small extent on spirituous liquors, both excise and customs; by heightening also the excise on malts, making the excise, which had always been in this country, with the exception of a very short space of time, 1 cent a pound, 2 cents per pound. That was felt to be a very large increase. It operated in this way: The malt, and consequently the beer duty, in this country became 7 cents, as compared with 4 cents in Great Britain and 3 8-10 cents in the United States. The revenue has since come up largely to the expectations formed. The chasm that was made has been filled, and, under these circumstances, the Government has determined to take off from the malt duties one-half cent per pound, leaving it at one cent and a half instead of one cent,

which has been the figure since Confederation, with the exception of one or two years. The loss which will accrue to the revenue from that will be in the neighbourhood of $200,000. We will get some accretion of revenue probably from the larger amount of malt made, because, under the 2 cent duty on malt, the production decreased to a certain extent, and sugar and other substances were used which, it is said, make an inferior article. I leave that to my hon. friends opposite to judge.

Sir RICHARD CARTWRIGHT. What is your own opinion ?

Mr. FOSTER. I am not a practical man myself in that respect.

Mr. LANDERKIN. You take moments of weakness occasionally, though.

Mr. FOSTER. I do, but am always frank enough to acknowledge my moments of weakness. Others are not. I have seen some hon. gentlemen get very irritable when these moments of weakness were brought to their attention.

Sir RICHARD CARTWRIGHT. Will you tell us what the Prohibition Commission has to say about it ?

Mr. FOSTER. I have not had the pleasure of meeting the prohibition delegation, and the commission has not yet reported.

AGRICULTURAL PRODUCTS.

I come next to the item of agricultural products, the second class of the schedule. From the remarks which I have made, it will be seen that it is not the policy of the Government to decrease in any material degree the protection at present afforded to the agricultural interests of the country. The effect upon their interests has been what I have pointed out, and with those effects fully in view, the Government did not feel itself justified—as indeed it did not feel disposed—in diminishing the protection which has worked so well and been so valuable an adjunct to that class. Some changes, however, have been made. Animals living, which were formerly——

Mr. LANDERKIN. Dead.

Mr. FOSTER——which were formerly 25 per cent, with the exception of live hogs—have been reduced to 20 per cent, which is the percentage placed upon live animals in the Wilson Bill and the Bill as emanating from the Senate Committee so far as it has gone. Live hogs, which were formerly 2 cents per pound, have been made 25 per cent. When we come to beef, fresh or salted, which was 2 cents per pound, that rate has been retained. Fresh mutton, which was 3 cents per pound, has been changed to 35 per cent. Meats, n.e.s., including canned meats, poultry and game, 25 per cent ad valorem. One explanation is due upon that item. It is this : The House will remember that, with reference to pork, we had two schedules. One was intended to include what was called the heavy or mess pork, and upon that a duty of a cent and a half per pound was placed. The other was intended to include the lighter pork, and upon that a duty of 3 cents was placed. The only way we had of distinguishing between the heavy and the light pork was by the number of pieces that should be in the barrel, but a very little experience was sufficient to show that that test was entirely inadequate. It was impossible to open and inspect every barrel and find the number of pieces, and even if that were possible, it was practicable for dealers to cut up the hog in such a way that there should be the requisite number of pieces, even though it were a light pork, and then, after it was introduced into the country, to repack the pork, thus having the light pork come in at 1½ instead of 3 cents. That difficulty, therefore, had to be overcome, and the simplest and easiest way has been found to put a uniform duty of 25 per cent on both kinds. This will have the effect of raising the duty somewhat on the heavy pork, and of reducing it a shade on the light pork. On the whole, it will make an equitable arrangement, give an adequate protection, and take away a very serious evil and vexation, not only in the carrying out of the tariff, but one of which the farmers themselves rightly complain, inasmuch as where they supposed they were getting a protection of 3 cents per pound, the pork was actually coming in at 1½ cents per pound. Meats, fresh, n.e.s., which had been placed at 3 cents per pound, are left as before. Poultry and game are kept at 20 per cent, the same as before. Extracts of meat, fluid beef, not medicated, and soups, 25 per cent,

the same as before. Lard and cottolene are changed from 3 cents per pound, and 20 per cent ad vatorem respectively to an ad valorem duty of 25 per cent. Tallow, stearic acid and stearine, which formerly were 1 cent and 3 cents per pound, have been reduced to an ad valorem of duty of 20 per cent. Beeswax, which bore a duty of 20 per cent, has been reduced to 10 per cent. Paraffine, wax and candles, which formerly paid respectively 3 cents and 5 cents, have been reduced respectively to 2 cents and 4 cents. All candles which formerly bore various duties have been reduced to a common duty of 25 per cent ad valorem. Soap, which bore a specific duty in two cases and a mixed specific and ad valorem duty in another case—the mixed duty being 10 cents per pound and 20 per cent and the specific being 1½ cents per pound, have been arranged under two schedules. The common or laundry soap, not perfumed, will bear a duty of 1 cent instead of a duty of 1½ cents per pound, and those soaps which bore a mixed specific and ad valorem duty, will pay a uniform rate of 35 per cent. Castile soap, mottled or white, remains at the duty at which it was before—2 cents per pound.

Sir RICHARD CARTWRIGHT. Can you give the equivalent ad valorem duty ?

Mr. FOSTER. I think it would be about 25 or 30 per cent. Glue and mucilage—glue was formerly dutiable in two ways—liquid at 30 per cent, and other at 3 cents per pound, and mucilage was 30 per cent. These have been put into one schedule, and reduced to 25 per cent. British gum, or dextrine, sizing cream, &c., are all put under one schedule, and charged 10 per cent ad valorem, instead of 1 cent per pound. This is because these materials are used in processes of manufacture. Feathers, which were in three categories, are now placed in two, undressed feathers, which were formerly dutiable at 15 and 25 per cent, being put at 20 per cent, and others, formerly 35 per cent, being now 30 per cent. Butter remains as before, at 4 cents per pound, and cheese, as before, at 3 cents per pound. Condensed milk, which was divided into two schedules, one sweetened, dutiable at 1¼ cents per pound and 35 per cent, and the other, unsweetened, at 35 per cent, have been joined in one class containing condensed milk, condensed coffee, condensed coffee with milk, milk foods, and all similar preparations, including preserved ginger, are dutiable at 30 per cent ad valorem. When we come to the grains—oats have been kept at 10 cents per bushel, and cornmeal at 40 cents per barrel, but two schedules have been formed with other grains, and two or three other agricultural products. The first schedule contains corn and barley. The duties on these are kept as they were before, but there is added this clause, "Provided that barley and Indian corn shall be free of duty when imported into Canada from the country of production, if such country, whence either or both are imported, admits both these products free of duty, when imported thence from Canada. That is an offer of reciprocity to any country that chooses to take it up.

Mr. MILLS (Bothwell). What is the object of leaving oats out ?

Mr. FOSTER. The object of leaving oats out of that proposal was to retain protection to that product of the farmer in Canada, a very large product, and one which, in some portions of Canada, might be adversely affected at certain times and under certain conditions, if the duty were removed. Then again buckwheat, buckwheat meal, rye, rye flour, beans, peas, hay, potatoes, green and ripe apples, and vegetables, are left with the same duties, or nearly the same, as they had under the old tariff,and it is enacted that each of the above products shall be admitted free of duty from any country which imposes no duty on the like product when imported from Canada. The duty on oatmeal is placed at 50 cents per barrel. I come now to the question of rice, which has been discussed on several occasions in the House. Formerly the uncleaned rice, or paddy, was dutiable at 17½ per cent, and the cleaned rice at 1¼ cents per pound. Two methods of dealing with these items were canvassed. One was to reduce the duty on the uncleaned rice, and to correspondingly reduce the duty on the cleaned rice ; but, on the other hand, it is necessary to look to the contingencies of revenue. Rice is an article which, although it is used largely, is used in small quantities by any one family, and the price of it is not high. A considerable duty can easily be got from it, the tax being diffused over the whole country, and not being felt

as any considerable burden. It has, therefore, been decided to raise some $30,000—basing calculation upon the importation of last year—in addition to the revenue already yielded from rice.

Sir RICHARD CARTWRIGHT. What will be your total revenue on this item ?

Mr. FOSTER. The total revenue, I think, would be $55,000 or $60,000. That, however, is not at the expense of the consumer. The duty upon cleaned rice at present is 1¼ cents per pound. The arrangement of duties that has been made is this : to place four-tenths of one cent duty upon the uncleaned rice, and 1 cent per pound upon the cleaned rice, and it will recoup the revenue to the extent of about $30,000. Rice flour and sago flour, which bore a duty of 2 cents per pound, have been placed at 25 per cent. Wheat and wheat flour are kept at the same rates as before—15 cents per bushel on the former and 75 cents per barrel on the latter. Biscuits formerly bore duties of 25 per cent for unsweetened, and 35 per cent for sweetened. A uniform duty of 25 per cent is now placed upon them. Macaroni and vermicelli, formerly 2 cents per pound, are now placed at 25 per cent ad valorem. Starch, including farina and corn starch, formerly bore a duty of 4 cents per pound for sweetened, and 2 cents a pound for unsweetened, no change having been made since the reduction of the duty on sugar. The sweetened and unsweetened have been united in one uniform duty of 1½ cents a pound.

Sir RICHARD CARTWRIGHT. Is that expected to make any difference in the revenue ?

Mr. FOSTER. Very little. I do not think that there will be any great importation into the country.

Sir RICHARD CARTWRIGHT. Perhaps I did not quite understand. I thought the hon. gentleman stated that one was four cents a pound and the other two cents, and that he now proposed to make them one and a half cents all round.

Mr. FOSTER. Yes.

Sir RICHARD CARTWRIGHT. Well, if he reduces them to one and a half cents from two and four respectively, there must be more or less loss.

Mr. FOSTER. I think, if my hon. friend will look up the returns he will find that not much sweetened starch product came in at four cents duty. Sweet potatoes and yams, ten cents a bushel, with a reduction in behalf of the consumer in part, and a reduction also with reference to the Island of Bermuda, which imposes a very slight duty upon Canadian products going in there, and which, by letter or otherwise, has brought to the attention of the Government the high duty upon products from that island. Pickles were widely distended and under different categories as to duties ; and there were duties upon fractions of a gallon as well as upon the gallon. The three schedules of pickles, sauces and catsups have been thrown into one, and a uniform duty of 35 per cent instead of the specific and specific and ad valorem duties combined, has been placed upon them. Garden seeds remain the same as before, 10 per cent when in bulk, and 25 per cent when in package. Ground mustard, 25 per cent, as before. Mustard cake reduced five per cent, and made fifteen instead of twenty. Malt, fifteen cents per bushel as before. Extract of malt, no change. No change has been made in the duty on hops, six cents per pound. Compressed yeast, and yeast cakes have been reduced from four and eight cents to three and six cents per pound, and the three schedules have been thrown into two. Trees, such as apple, cherry, peach, pear, plum, quince, of all kinds, have been made a uniform duty of three cents each. The specific duty has been retained, as it is almost impossible to follow these in point of valuation ; that is not much change from the present duty. Grape vines, gooseberry bushes, raspberry bushes, currant bushes, and rose bushes, and all fruit plants not elsewhere specified, shade, lawn, and ornamental trees, shrubs, and plants, the half dozen categories under which these were found, some ad valorem and some specific, have been grouped under an ad valorem duty of 20 per cent.

Mr. CASEY. What change does that amount to ?

Mr. FOSTER. On some, that is a lowering of the duty. It is most difficult to tell, because of the difficulty of getting their valuation. Take gooseberry bushes, their valuation, even of the same class, may be

widely different in two or three days and is uncertain always. Blackberries, gooseberries, raspberries, strawberries, cherries, and currants, which had a duty of three cents a pound, and one cent a quart, respectively, have been put into one schedule of two cents a pound.

Sir RICHARD CARTWRIGHT. When you say two cents per pound, what about the packages ?

Mr. FOSTER. The package is included in the weight for duty. Cranberries, plums and quinces, which were thirty cents a bushel, have been put under an ad valorem duty of 25 per cent. Apples, forty cents per barrel, as before. Those I have spoken of. Apples, dried, desiccated, or evaporated, raisins, currants, dates, figs, prunes, and other dried or evaporated fruits, have been all made an even 25 per cent instead of an ad valorem duty of 10 per cent and one cent per pound.

Sir RICHARD CARTWRIGHT. How about the French treaty in respect to those dried fruits ?

Mr. FOSTER. The French treaty, when it comes into operation, will affect these by the very fact of its coming into operation, to the extent of the proportionate reduction which is provided for in the treaty. Grapes, two cents per pound, as at present. Oranges, lemons, and limes have been kept at about the same duty, a reduction from $1.60 a thousand to $1.50 a thousand upon the bulk. Peaches, one cent per pound, as before. Fruits, in air tight cans are reduced from three cents a pound to two cents.

Sir RICHARD CARTWRIGHT. I take it that in all these cases the packages are included ?

Mr. FOSTER. Packages are included where I do not mention otherwise. Fruits preserved in brandy are kept at the brandy duty, $1.90 per Imperial gallon ; that is for fear that more brandy will be brought in than fruits. Jellies, jams, and preserves, which are now five cents per pound, are reduced to three cents per pound. Honey in the comb is kept at the old rate of duty, three cents. Coffee, green, when not imported direct, 10 per cent ; when it is roasted or ground, and not imported direct, two cents a pound and 10 per cent. Coffee, roasted or ground, which was three cents a pound in the old tariff, becomes two cents per pound. Extract of coffee, or substitutes therefor, formerly five cents per pound, are reduced to three. Chicory, which was three and four cents a pound, whether green or dry, becomes three cents per pound. Tea, a duty of 10 per cent when not imported direct. Cocoa paste and chocolate, which bore a duty of five cents per pound when sweetened, have been placed in the same list, and made four cents per pound.

Sir RICHARD CARTWRIGHT. Do I understand that there is now a duty on coffee of all sorts ?

Mr. FOSTER. There is a duty of ten cents on coffee when it is green, when it is not imported direct. When it is imported direct, there is no duty upon it. The same with reference to tea. Cocoa nuts remain at the same duty as before.

Mr. MILLS (Bothwell.) If I understand the hon. gentleman, coffee that will be imported from Florida will come in free if it was grown in Florida ; but if the coffee was imported from Cuba to the United States it will pay ten per cent ?

Mr. FOSTER. It must be imported direct from growth and production. Desiccated cocoa nut, which, when sweetened, bore eight cents per pound, has been reduced to four cents per pound. A little change has been made in ginger and spices of all kinds, formerly they were 12½ per cent, and now they have been made fifteen per cent ; but when ground, the same duty of 25 per cent has been retained. Nutmegs and mace remain at the same duty. That disposes of the agricultural class of products, treated under the tariff.

BOOKS AND PAPER.

I now come to the third class, which consists of books and papers. On this question of books, leaving aside for a moment that of papers, there has been a good deal of writing, a good deal of speaking, and a great many demands have been formulated from different interests, from the reading public, from that portion of the reading public which may be called the studying public, who want scientific, philosophic and educational works which are not printed in this country, and which, for evident reasons, cannot at the present time be economically

produced in the country. Colleges and libraries have also made a strong plea during several years for the admission of books for their libraries free of duty, and also for the admission of books for courses of study in the different classes. Then, again, there is the aspect of the printers of the country towards the book publishing interest to be considered. The book publishing interest in Canada does not occupy the position that it did many years ago. The large book houses which were then scattered in almost every considerable city, doing business in their special way, have largely gone out of the business, and it has taken other channels of distribution, most widely among which is that of the subscription sale and the distribution of books by means of agents through the towns, villages, and rural portions of the country. The book duty heretofore has been an ad valorem duty, and that has been complained of on the ground of principle. After considering the matter carefully, the decision has been arrived to change the duty, and to make it a pound duty rather than an ad valorem. At first sight that might seem to defeat the object of those who seek relief for the reading public who take scientific, philosophical, and educational works, because those books are not printed in this country and cannot be printed here, and it might be thought that the system would bear more heavily on that class and more lightly on the class of books of a more ephemeral character, including current literature, put up in paper covers or more lightly put together than books of the other class. But the test shows that is not so. If you take a subscription book, bound, which sells at $3, its weight will probably be four pounds. Under an ad valorem duty of 15 per cent, as at present, the duty would be 45 cents. It is proposed to make the duty a pound duty, 6 cents per pound. The duty on such a book would be 24 cents, instead of 45 cents. If you come down to current and light literature, large quantities of which are sent into this country, and which have not expensive bindings, and whose price is almost nominal, such a book coming here would weigh half a pound or three-quarters of a pound, and the invoice price would be but a few cents per pound. The ad valorem duty is almost nothing; the pound duty will be considerable. Another point arises, and that is this, that in the distribution of books in the country the post office is largely availed of, and great difficulty arises from ad valorem duties in the post office customs distribution. It involves the appraisement of each book at the place where it is delivered. The pound duty is much easier; the officer has simply to put the book in the scale and weigh it.

Sir RICHARD CARTWRIGHT. Will it be made fractional—3 cents for the half pound?

Mr. FOSTER. Yes. Broadly stated, the question of principle I think is this, that the pound duty does not tax the genius, the spirit, the thought in the book; it taxes the paper, binding, and the articles entering into its production. It is a better protective duty to those articles and to the printer as regards that class of book which it is possible to produce here. The duty will be 6 cents per pound for books, instead of an ad valorem duty of 15 per cent. British copyright, reprints of, will have in addition to 6 cents per pound, a duty of 12½ per cent, which is the amount we collect in payment of the copyright and transmit.

Mr. EDGAR. Is this ad valorem?

Mr. FOSTER. Yes. But there is a clause attached, which is as follows: This duty shall continue until 27th March, 1895, and thereafter the rate shall be 6 cents per pound, it being the intention of the Government not to continue to collect this amount, but to try and have the matter adjusted by that time in a better and more satisfactory way. Advertising pamphlets and all that class of matter, which had an ad valorem duty of 20 per cent and 6 cents per pound, are retained at the same rate of duty. This item is a large revenue producer, and has been left unchanged.

Sir RICHARD CARTWRIGHT. Does the change from ad valorem to specific make any difference in the receipts?

Mr. FOSTER. It is very difficult to calculate that. If you take the returns on an ad valorem basis you have not the weight but simply the value; but testing different prices of books as we have done, it may be fairly assumed that what is lost on one side is gained on the other, and that the reduction

on the whole will not amount to a very large sum. Bank notes, bonds, bills of exchange, and the like have been kept dutiable at 35 per cent; labels 15 cents per pound and 25 per cent, this item being also a large revenue producer. Maps and charts are 20 per cent. Painting, prints, and engravings remain as before, 20 per cent. Playing-cards will be 6 cents per pack; printed music 10 cents per pound. The question of wall paper has been settled by dropping the specific duties and imposing an ad valorem duty of 35 per cent all round. Paper sacks and bags, which were 35 per cent, have been made 25 per cent. Mill-board remains the same as before, 10 per cent. Tar red paper will be 20 per cent.

Mr. EDGAR. What will be the duty on ordinary paper?

Mr. FOSTER. It remains at the same duty as at present, namely, 25 per cent. It is desirable I think to state in this connection with respect to books on the free list—and I am stating it briefly and from memory—that these include Bibles, psalm-books, prayer-books, and hymn-books, instead of being charged 5 per cent; books for university, college, and libraries of that kind, books for public and incorporated mechanics' libraries are also made free to the extent of two copies to each institution. Books found in the regular curriculum of colleges, universities, and academies, being of a kind not printed or reprinted in Canada, are allowed free for those purposes. Books printed in any language foreign to this country, that is in any language except French and English, are admitted free, and some other concessions are made, which, though important, have escaped my memory.

Mr. SOMERVILLE. How about monthly magazines?

Mr. FOSTER. They are kept as at present.

Mr. FOSTER. Books for the deaf, dumb, and blind are admitted free. A friend suggests that this is a concession to the Opposition.

Sir RICHARD CARTWRIGHT. It is a concession, Mr. Speaker, got by the Opposition from the predecessor of the hon. gentleman, and I should say, wrung out of the Ministry by the Opposition.

Mr. FOSTER. I hope the Opposition have used them.

CHEMICALS, OILS AND PAINTS.

Coming next to chemicals, oils and paints. The vinegar duty has been kept the same as before. There is an excise upon the manufacture of vinegar in the country, all of which is carried on under the Inland Revenue, and it is proposed to make the excise duty larger and to get an additional revenue of some thousands of dollars therefrom. The protection upon vinegar is a large protection, but it is almost impossible to make it other than it is and keep vinegar from being made wholesale from acetic acid and other ingredients of a deleterious and unhealthy kind. So that that problem has been solved by keeping the vinegar at the old duty, and by raising an additional amount of revenue from the manufacture of it in the shape of excise.

Sir RICHARD CARTWRIGHT. How much?

Mr. FOSTER. The additional income will be probably about $30,000. Acid, acetic and pyroligneous of any strength for the purpose of manufactures which bore a duty of 25 cents per gallon and 20 per cent, has been reduced to 25 per cent. Acid, muriatic and nitric has been reduced from 25 per cent to 20 per cent. Sulphuric acid which bore a duty of five-tenths of a cent per pound has been reduced to four-tenths; sulphuric ether is the same duty, viz., 5 cents per pound. Acid phosphate has been reduced from 3 cents to 2 cents per pound. Liquorice paste and liquorice root, which has a duty of 2 and 3 cents a pound, have been made ad valorem 20 per cent, a considerable reduction; all medicinal preparations and patent medicines have been kept at the same rate: 50 per cent for liquids and 25 per cent for others. Cod liver oil, medicated, is kept at the old rate, 20 per cent. Essential oils, largely used in manufacturing soaps of the better kind, in fact all perfumed soaps, reduced from 20 per cent to 10 per cent. Pomades are kept at the same rate. Perfumery, including toilet preparations, have been kept at the same rate, namely, 30 per cent. Various representations have been made in Parliament and out of Parliament, looking to the reduction of duty upon illuminating oil. After having carefully thought over the subject with a view to do whatever was reason-

able for the general consuming public, and with a very strong unwillingness to destroy an industry which has existed from Confederation up, and existed always under the protection of the Government ; an industry which is local I admit, but which is peculiar in its nature in that, in the locality in which it exists it is widely distributed and becomes a living, each well, to the family, the small holder that owns the land upon which the well is worked. A year or more ago, very large prices were paid for oil, whether they were Canadian oils or American oils. That was not the fault of the producer at Petrolia. At the very time the Canadian oils were selling from 25 cents to 45 cents per gallon in Canada, they were being sold in bulk at Petrolia for 9 and 11 cents per gallon. It was pointed out to the producers last year that it was necessary for them to take measures by which oil should be reduced in price to the consuming public, and with an expenditure of commendable energy, and an expenditure, I am sure, of a large amount of money, they have perfected arrangements by which to-day, instead of the prices which I have quoted, oil is being distributed now from Calgary to Cape Breton, and sold at no place at a cost greater than 25 cents per gallon, and coming down to a cost of 10 and 12½ cents per gallon. The duty of 7 1-5 cents per gallon is a large duty, but it is a duty which is not availed of by the producers and sellers of the oil. On the other hand, from those who use American oil a very large revenue, some $400,000, is received which it is difficult for the Government to sacrifice without replacing it in some other way. The amount of oil which is used by each family is not surprisingly large in quantity, and is not surprisingly great in its value.

Sir RICHARD CARTWRIGHT. What do you compute the total consumption at both home and imported ?

Mr. FOSTER. The division is about two-thirds to one-third ; one-third of the market is supplied by the United States illuminating oil, and two-thirds of the market is supplied by the home product. I will give you the figures later on. Under these circumstances, the Government has come to the conclusion not to lower the duty upon illuminating oils this year. Some changes have been made, however, with reference to the distribution, and arrangements will be made by the Inland Revenue by which this oil can be delivered and stored in tanks in any city or in any village, and by which it can be distributed without many of the vexations and additions to the expenses which exist.

Mr. MILLS (Bothwell). Are the means of carriage to be interfered with ?

Mr. FOSTER. Do you mean in transport by rail ?

Mr. MILLS (Bothwell). Or by water.

Mr. FOSTER. The law in that respect will remain the same as it is to-day. However, the duty on barrels in which oil is brought in is at present 40 cents, and that has been reduced to 20 cents, giving in that method of bringing in the oil by barrels, a reduction of 20 cents on each barrel. In crude oils and gas oil and fuel oil, for fuel and manufacturing purposes, a reduction has been made of one-half of the present duty, and in lubricating oil the limit upon which that duty is placed has been reduced from 30 cents per gallon to 25 cents per gallon ; and all above 25 cents per gallon in value goes into the class for lubricating oils, which bears a common duty of 25 per cent. Linseed oil or flaxseed oil, which bears a duty of 1¼ cents per pound and which is the raw material for a great variety of industries, has been lowered, and instead of that duty which I have mentioned, an ad valorem duty of 20 per cent has been placed upon it, which is a very considerable reduction. Lard oil, neat's-foot oils, and sesame seed oils remain at the same rate of 20 per cent. Olive oil prepared for salad purposes, has been increased from 20 to 30 per cent. Olive oil in bulk for manufacturing purposes has been placed on the free list, used, as it is coming to be now, very largely in the manufacture of the better kinds of soap and in various other articles, and in the preparation of sardines and the putting up of fish. Vaseline is to have a duty of 35 per cent instead of the old duty of 6 cents and 4 cents per pound. Blacking, shoe and shoemakers' ink is reduced from 30 per cent to 25 per cent. Ink for writing has been reduced from 25 to 20 per cent. Blueing has been reduced from 30 to 25 per cent. Dry white and red lead, orange, mineral and zinc white, 5 per cent ; ochres, raw siennas and the various foundations for paints have

been reduced from 30 per cent to 20 per cent. Oxides, ochres and ochrey earth, raw siennas and colours, have been reduced from 30 per cent to 20 per cent. Paints and colours which bore a 30 per cent duty, and in another class, 5 cents a pound and 25 per cent duty, have been reduced all round to an even 25 per cent. Paints and colours, ground in spirits, are kept at the same duty which is the spirit duty of $1 a gallon, but scarcely anything is done in that line, no importation now taking place. Turpentine which is a basis for different manufacturing processes has been reduced from 10 per cent to 5 per cent. Varnishes, lacquers, japans and the like which bore a duty of 20 cents and 25 per cent, have been reduced to 20 cents a gallon and 20 per cent. Paris green is kept at the same duty, namely, 10 per cent. Putty has been reduced from 25 to 15 per cent.

EARTHENWARE, GLASS AND STONEWARE.

Coming to the class of earths, earthenware, glassware and stoneware: brick for building remains at 20 per cent. There were two schedules, one of China and porcelain ware, and one of earthenware. The duty on china and porcelain was less than the duty on earthenware, and there were occasions for disputes arising at custom-houses. The two are thrown into one, and the common duty of 30 per cent is put upon them. Earthenware and stoneware, demijohns or jugs, churns or crocks are reduced from 3 cents to 2 cents a gallon of holding capacity. Drain pipes and tiles are kept at the old rate. On glass the duties have not been interfered with in the main, except that small wares of glass, small bottles and the like, which bore 5 cents a dozen and 30 per cent, have all been placed in the general class bearing 30 per cent ad valorem. Insulators of all kinds and lamps, including arc and incandesecent lamps, lamp chimneys, side-lights and head-lights, shades, globes, and all that kind of articles, which bore 5 cents a dozen and 30 per cent, and some few 25 per cent, have been placed under the common duty of 30 per cent, a reduction on the whole.

Sir RICHARD CARTWRIGHT. What does that cover ?

Mr. FOSTER. That covers all kinds of electric fixtures and all kinds of lamps, side-lights, shades and globes, whether for oil electric light or gas. Outside of what I have mentioned, the only change in the general glass duty has been to reduce the duty somewhat on plate glass, which comes in panes of not less than 12 feet square, the duty being reduced from 6 to 4 cents per square foot. The duty on the other glasses remains at the same figure, that schedule having been very carefully gone over two or three years ago and arranged very satisfactorily, I think, both to the importer and to the revenue. On spectacles and eye-glasses the duty is 30 per cent, as before, and upon the frames or parts thereof, 20 per cent. Show-cases, which bore a mixed duty of $2 each and 35 per cent, have been placed at 35 per cent. Magic lanterns and slides therefor, philosophical, photographic, mathematical and optical instruments, 25 per cent. Cement, which ran through five schedules, has been placed in one, and the uniform duty of 40 cents per barrel put upon it. Plaster of Paris, in the rough and when calcined or manufactured, bears 15 per cent and 20 per cent respectively. Flagstones, granite and the rough stones generally, have an ad valorem duty of 20 per cent, and the finished article 30 per cent. Marble in the rough, that is, sawn in slabs, but not otherwise manufactured, has a duty of 20 per cent, and the finished article bears a duty of 30 per cent. Slate and manufactures of slate—roofing slates, slate-pencils, school or writing slates, the latter of which bore a complex and absurdly high duty, have been placed at the uniform duty of 20 per cent.

Mr. MILLS (Bothwell). Surely, nothing was absurd in the National Policy.

Mr. FOSTER. The story is told that at one time slate was charged at so much per square foot, and the way adopted to get at the duty on slate-pencils was to find out the number of slate-pencils that would lie in a square foot and to calculate the amount of the duty from that. I state that by way of information to the hon. gentlemen when they come to frame their tariff.

LEATHER AND MANUFACTURES OF.

Leather, manufactures of, and rubber form the next class. On fur skins, 15 per cent, as at present. On fur caps, hats and the like, 25 per cent, as at present. Leather-board and leatheroid and boot

and shoe-counters, 20 per cent. Leather and skins not otherwise provided for, when tanned, belting leather, sole leather, upper leather, including dongola, cordovan, lamb, sheep and calf, bear a uniform duty of 15 per cent. This is a slight reduction. Sole leather, rough or undressed, is the same as before, 10 per cent. On japanned, patent or enamelled leather, a uniform duty of 22½ per cent. Skins for morocco leather, tanned, but not further manufactured, 15 per cent. Glove leathers are, as before, at 10 per cent. All manufactures of leather, not elsewhere specified, are left at 25 per cent. Belting of leather or other material, is reduced from 25 to 20 per cent. Harness and saddlery of every description is placed at 30 per cent. Whips, which were 50 cents per dozen and 30 per cent ad valorem, have been put at 35 per cent ad valorem. Boots and shoes are kept at 25 per cent. India-rubber boots and shoes, with tops or uppers of cloth or of material other than rubber, which bore 35 per cent, are put at 30 per cent. India-rubber boots and shoes and manufactures of India-rubber keep the same duty of 25 per cent. India-rubber clothing, surfaced and otherwise, which bore a compound duty, is put at 35 per cent. Rubber belting, hose, packing and mats, which bore a compound duty of 5 cents per pound and 15 per cent, is put at 32½ per cent ad valorem.

METALS AND MANUFACTURES OF.

I now come to the class of metals and manufactures of, including, as the article of prime importance, iron. Upon this a great deal of attention and careful consideration has been bestowed. On the one hand, the duties upon iron have been and are relatively high. On the other hand, there is the patent fact that unless there be a sufficient inducement in the way of protection or bounty given for the manufacture of iron, it will be impossible in this country, as it has been found impossible in all other countries, ever to rise from the production of raw ores, which abound in this country, to the independent and self-contained manufacture of the 'arger portion of the iron needed for the consumption of the country. That problem has been solved in part before by the fixing of a duty of $4 per ton upon pig iron, and grading the duties on puddled and bar iron in proportion, the present duty being $13 per ton, upon which to build up the manufacture of iron in the country. Scrap, which is a raw material, out of which bar iron is made, was, however, when these duties were arranged in 1887, left at the import duty of $2. The consequence of that has been simply this: Instead of the bar iron of the country being made from puddled bars, the product from pig iron, and the latter from the iron ores of the country, no bar iron is at present made in the country from puddled bars. All that is made is made from scrap, either the native scrap or imported scrap. That has its effect upon the quality of the iron, but its most serious effect is to retard in that way the development, so much desired, of the iron industry. Some method, therefore, had to be adopted in order to remove that disadvantage. It is not the intention of the Government to take the line which has been assented to by my hon. friends opposite tonight. It is not our intention to destroy every vestige of protection, so far as the iron schedule is concerned. We must bear in mind that in 1887 the first real attempt was made to give iron any real protection in this country. We must bear in mind that although the National Policy dates from 1878, there was nothing but a revenue tariff upon iron from 1878 up to 1887. It was at that period, and only six years ago, that Parliament assented to a scheme which had for its object the development of the iron industry by a system of protection and bounty. The problem which confronted the Government was this: In the first place, not to destroy the development of our iron industry; in the second place, to give as much relief as possible to those who make up all kinds of articles from the iron of commerce—that is, the puddled bar, or the bar iron. In steering between these two conflicting interests, the Government have concluded to adopt this as their policy. Briefly stated, it is as follows: to keep upon pig iron the same customs duty and the same bounty as at present—the duty being $4 per ton, and the bounty $2 per ton.

Mr. EDGAR. That is on the net ton.

Mr. FOSTER. Yes; the net ton is always understood in our duties. That gives to pig iron a protection of $6 per ton. It is not proposed to disturb that duty. The difficulty, however, which has occurred from

the introduction of scrap, and the practical making of all the bar iron of the country from scrap, had to be met, and the proposal of the Government is to make the scrap duties, from to-day until the end of the year, $3 instead of $2, and after the 1st of January, 1895, $4 per ton.

Sir RICHARD CARTWRIGHT. How much revenue do you expect from that ?

Mr. FOSTER. It is impossible to make any estimate. Under that duty it is supposed that not a very great deal of foreign scrap will be imported. Our object is to induce the manufacture of bar iron from the iron of the country—from the puddled bars.

Sir RICHARD CARTWRIGHT. You expect that duty to be prohibitive ?

Mr. FOSTER. It will largely act as a deterrent to the importation of foreign scrap. It is proposed to keep the duty and bounty upon pig iron. In order to reduce the cost of merchantable iron to the country, a reduction will be made in bar iron of $3 per ton, reducing it from $13 to $10. A reduction will be made also in puddled bar from $9 to $5, being a reduction of $4 per ton, and iron and steel will be treated all through on an equality as respects the imposts, and upon these lowered duties on steel and iron the reductions have been made in the articles which are manufactured from these forms of iron. But in order to stimulate the production of puddled bar from the pig iron, so that the process of development may not stop at the point of pig iron, it is proposed to give a bounty of $2 per ton upon puddled bar, and what corresponds to that in steel. Both bounties in pig iron and puddled bar to run five years from the day of this enactment, and also with this proviso, that if in two years from this, for instance a blast furnace starts and goes into the operation of making iron, it shall have the benefit of the bounties, on the strength of which it made the investment, for five years from the time it commenced to make the pig iron or puddled bars.

Mr. PATERSON (Brant). Will the old concerns go on for five years ?

Mr. FOSTER. They go on five years from this date.

Mr. CHARLTON. How will it be in the case of one starting four years from this date ?

Mr. FOSTER. It will have the five years bounty in the same way.

Mr. PATERSON (Brant). That one concern, but not the others ?

Mr. FOSTER. Not the others. The object of a bounty, in every case, is to induce the investment of capital into the making of iron from the ore into the pig or puddled iron. It is in the general interests that these industries shall be distributed in different parts of the country, so as to overcome, to a large extent, the heavy cost of distribution, consequent on our geographical extent.

Mr. MILLS (Bothwell). The hon. gentleman proposes to tie the hands of Parliament for five years.

Mr. FOSTER. As any law ties the hands of Parliament. Any law which is enacted ties the hands of Parliament to that extent. The present Bounty Act ties the hands of Parliament just as much and no more than the one now proposed will do.

Sir RICHARD CARTWRIGHT. What is the loss of revenue you expect for these proceedings, bounty included ?

Mr. FOSTER. I may mention that although in the first years of the bounty no very great progress was made, there has been in the last three years great progress in the manufacture of iron, and last year the manufacture of pig iron in this country, upon which the bounty was paid, amounted to 48,000 tons. This year, up to March, the amount made was 42,000 tons. So that there is every possibility that the current year will see pig iron made in this country to the extent of 50,000 tons. The bounty upon puddled bar, it is calculated, will increase that amount by about one-half, so that for the next three or four years—the bounty being $2 per ton—the amount paid will run from $90,000 up probably to $120,000, or $130,000. Of course, all depends upon the rapidity and extent of the development in the production of this kind of iron.

Mr. EDGAR. That is, on the two.

Mr. FOSTER. On the two. The duty on wrought scrap iron and scrap steel then is, as I have stated it, and the duty upon pig iron is $4 per ton, as at present.

Sir RICHARD CARTWRIGHT. I did not observe that the hon. gentleman gave any

intimation of the loss of revenue, pursuant on the reductions he proposes to make—in the one case of $3 per ton and in the other $4 per ton. He ought to have those figures before him.

Mr. FOSTER. As far as can be calculated, the loss on metals and manufactures, owing to the reduction proposed in duties, will amount to about $350,000, basing the calculation upon the importations of last year, which is the only way, I suppose, in which you can make an estimate. But the hon. gentleman will see that to estimate with any degree of accuracy will be impossible, because we do not know what will be the effects of these duties from year to year. Bar iron and steel, as I have stated, are reduced to $10 a ton, from $13 a ton. Iron or steel plates or sheets, sheared or unsheared, hoops, bands, strips, and skelp iron or steel, sheared or rolled in grooves, and iron or steel of all widths not thinner than number seventeen gauge, n.e.s., will be $10 per ton. Plates or sheets of iron or steel over thirty inches wide, and not less than one-quarter of an inch in thickness, commonly denominated boiler plate, and universal mill or rolled edge steel plates, not exceeding thirty inches in width, will be 12½ per cent. A large reduction is made in iron or steel sheets, hoops, bands, and strips, or other iron or steel of all widths, sheet iron, common or black, smooth, polished, coated or galvanized and Canada plates, number seventeen gauge, and thinner, the change being from 12½ per cent, and, in some cases, as high as 30 per cent, to 5 per cent. These are materials which at present are not made in Canada, and which are largely used, and the duty is put at a nominal rate so as to encourage those industries which use these materials.

Mr. CHARLTON. What was the duty on boiler plate ?

Mr. FOSTER. It was either $13 per ton or 12½ per cent. Plough plates, mould boards, land sides, and other plates for agricultural implements, when cut to shape from rolled sheets of steel, but not moulded, punched, polished, or otherwise manufactured, and being of a greater value than four cents per pound, were formerly charged at the rate of 12½ per cent. This is a quality of steel not made in this country, and the duty has been reduced to the nominal rate of 5 per cent, which, of course, will be a distinct gain to the manufacturers of implements and other articles made from these materials. Forgings of iron and steel, which were 1½ cents per pound, but not less than 35 per cent, have been fixed at 35 per cent. Rolled iron or steel angles, channels, structural shapes and special sections, weighing less than twenty-five pounds per lineal yard, which were formerly charged at one-half cent per pound and 10 per cent ad valorem, have been placed at 35 per cent. Rolled iron or steel angles, channels, beams, and the like, which were largely used by bridge builders, and which, when imported by bridge builders for the purpose of bridge building, came in at 12½ per cent, have been placed at 12½ per cent, the condition being taken off, so that they may be imported for use by any one at this rate. Iron bridges and structural iron work, formerly charged 1¼ cents per pound, but not less than thirty-five per cent, had been placed at 30 per cent. Iron and steel railway bars, or rails for railways and tramways, of any form, punched or not punched, formerly dutiable at $6 per ton, will be fixed hereafter at 30 per cent.

Mr. SOMERVILLE. Does this apply to electric railways ?

Mr. FOSTER. Yes, this would apply to electric railways. Railway fish plates and tie plates, formerly charged $12 per ton, will be 30 per cent. There is a quality of iron which comes into the country and is largely used, known as Swedish iron. It has borne a duty of 20 per cent, being of high value, and necessary for certain processes of manufacture, and filling a place which could not be filled by our own rolled iron. The duty upon this material has been made 15 per cent. Axles, car springs, and springs of iron or steel, or parts thereof, formerly $30 per ton, and not less than 35 per cent, have been placed at 35 per cent. Malleable iron castings and steel castings, n.e.s., were formerly $25 per ton, and not less than 30 per cent. This duty has been fixed at 25 per cent. Cast iron vessels, plates, stove plates and irons, sad irons, hatters' irons, tailors' irons, and castings of iron not elsewhere specified, are reduced from $16 per ton and not less than 30 per cent to 27½ per cent. Cast iron pipe of every description, formerly $12 per ton, and not less than 35

per cent, has been reduced to $10 per ton. and not less than 35 per cent. Boiler tubes of a kind not made in this country, have been reduced from 15 per cent to 7½ per cent, and to these have been added corrugated tubes, or flues for marine boilers. This is a distinct advantage to an industry which is largely prosecuted in this country. Lap-welded iron tubing for artesian wells and petroleum wells, etc., remain, as before, at 20 per cent. Tubes not welded or more than 1½ inches in diameter, rolled steel, are also unchanged at 15 per cent, and wrought iron tubing, threaded and coupled or not, over two inches in diameter, bear the same duty as before—15 per cent. All other wrought iron tubes, five-tenths of a cent per pound and 30 per cent. Chains (iron or steel) remain at 5 per cent, except that the limit has been reduced from nine-sixteenths to five-sixteenths of an inch in diameter. Nails and spikes, wrought and pressed, galvanized or not, horse-shoe nails, and all other wrought iron, steel, and other nails, n.e.s., and horse, mule and ox shoes have been changed from 1½ cents per pound, and not less than 35 per cent, to 30 per cent ad valorem. Composition nails and spikes, and sheathing nails have been reduced from 20 per cent to 15 per cent. Wire nails, cut nails and spikes of iron or steel now bearing a duty of 1½ cents per pound, but not less than 35 per cent, have been reduced to three-quarters of a cent per pound. Cut tacks, brads, or sprigs, not exceeding 16 ounces to the thousand, were formerly 2 cents per thousand, but this duty has been reduced to 1 cent per thousand. The same class of goods, exceeding sixteen ounces to the thousand, formerly charged 2 cents per pound, are reduced to 1½ cents per pound. Screws, commonly called wood screws, which formerly had a protection of 6 cents, 8 cents, and 11 cents per pound, respectively, have been reduced to 3 cents, 6 cents, and 8 cents per pound, but not to be less than 35 per cent. This is a reduction of about one-half on the present duty. Other screws of iron, steel or brass, or other metal, not otherwise provided for, are reduced from 35 per cent to 30 per cent. Wrought iron or steel nuts and washers, iron or steel rivets, bolts, with or without threads, nut and bolt blanks, T and strap hinges, which formerly bore duties of about 1 cent per pound and 25 per cent, have been reduced to 1 cent per pound and 20 per cent. Skates, formerly 20 cents per pair and 30 per cent ad valorem, are reduced to 10 cents per pair and 30 per cent ad valorem. Clothes wringers, formerly $1 each and 30 per cent, are reduced to 25 cents each and 20 per cent. Cutlery, not otherwise provided for, remains, as before, at 25 per cent. Celluloid is not changed, the duty being 10 per cent. Knife blades and blanks are 10 per cent ad valorem, this duty involving no change. House furnishing hardware, builders' and cabinet-makers' hardware, etc., which formerly occupied two different schedules, have been thrown into one schedule. The former duties were 30 and 35 per cent. A common duty has been fixed at 32½ per cent. Adzes, hatchets, picks, mattocks, track tools, wedges, and crow-bars of iron and steel, and hammers or sledges are now 30 per cent. This is on the whole, a reduction, the duties coming down from about 35 per cent. On this there was 35 per cent before. Axes of all kinds, scythes, hay knives, lawn mowers, pronged forks, rakes, and hoes, not elsewhere specified, and other agricultural tools or implements not elsewhere specified, 35 per cent ad valorem. These were, some of them, $2 per dozen and 40 per cent; some of them $2.40 a dozen and ad valorem duties combined. Shovels and spades, which had $1 per dozen and 25 per cent, have been made 35 per cent. Files and rasps, 35 per cent. Steel needles, 30 per cent. Surgical and dental instruments are reduced from 20 to 15 per cent. Safes and the like are reduced from 35 to 30 per cent. Fire engines, 35 per cent. Locomotives for railways were formerly 30 per cent ad valorem when not less than $2,000 each. The limiting clause has been stricken out, and locomotives for railways have been placed at 35 per cent. Steam engines, boilers, machinery, and the like, have been reduced from 30 per cent to 27½ per cent.

Sir RICHARD CARTWRIGHT. Am I correct in understanding you that the total loss will only be $350,000 on all the reductions made ?

Mr. FOSTER. According to the best calculation that can be made, but it is a calculation which has no pretension to accuracy.

Mr. EDGAR. These things the hon. gentleman has lately given us are included in that estimate ?

Mr. FOSTER. The different kinds of furniture are not included.

AGRICULTURAL IMPLEMENTS.

Coming to the question of agricultural implements, the Government has found that a vexed one. The duty which has been heretofore 35 per cent upon mowing machines, binders, harvesters, and the like of that, has been greatly reduced. A very strong demand has been made by the farming interest all over the country for a reduction in that duty. A great many have been, I think, a little unreasonable, and have asked that the duty should be taken off altogether ; others, representing large sections of the farming community, have petitioned that the duties should be materially reduced. These machines are made at the present time almost exclusively of iron, the percentage of wood which goes into their construction being remarkably small ; and the reduction of duties upon iron will, to the extent that it is used, be felt in the reduction of cost in the manufacture of these different implements. After considering the matter in all its phases the Government has come to the conclusion to reduce these from 35 per cent to 20 per cent, a reduction of 15 per cent on the whole, and a reduction which it will tax the manufacturers of these implements to meet and keep the field in which their competition is at present even quite heavy, especially in the North-west ; but a reduction with which the Government believes that they can prosecute their industry, while, at the same time, it will have the effect of greatly cheapening one of the largest items of expenditure to which the farmer has been subjected, especially in grain growing districts.

Mr. CHARLTON. Has the Government considered the question of granting reciprocity to the United States in agricultural implements under the terms of their tariff, giving free admission to our agricultural implements into the United States on the condition that theirs are admitted here on the same terms ?

Mr. FOSTER. The Government is aware that in the Committee's Draft Bill in the United States Senate, agricultural implements have been made free to the people of that country. So far as the manufacturers and buyers of implements in the United States are concerned, there is no duty upon agricultural implements, whether Canada reduces her duty in whole or in part.

Sir RICHARD CARTWRIGHT. I would like to know from the hon. gentleman what he calls agricultural implements. It is extremely important that that should be clearly understood.

Mr. McMILLAN. I would ask the hon. gentleman if the United States has not adopted a provision with respect to agricultural implements that they will allow them to come into their country free from any other country that allows American agricultural implements to come in free ?

Mr. FOSTER. The hon. gentleman would be perfectly correct if he had asked whether a committee had not recommended that, but nothing has yet been adopted. What my hon. friend has said is true with that limitation. This clause takes in mowing machines, harrows, cultivators, seed drills, horse rakes, self-binding harvesters, harvesters without binders, binding attachments, reapers, sulky and walking ploughs, all of which are placed at 20 per cent.

Mr. CHARLTON. This is a matter of considerable importance. The Senate Finance Committee's draft on the Tariff Bill provides that agricultural implements shall be admitted into the United States free of duty if imported from countries not imposing duties upon agricultural implements of American manufacture exported to that country. That, undoubtedly, will be a question that the Government will be called upon to meet. No doubt that provision in the tariff will be retained if the Wilson Bill passes ; and if that provision is made I presume the people of Canada would like to know, now that the tariff is under consideration, what course the Government of Canada would be likely to take in the premises.

Mr. FOSTER. All I can say to my hon. friend is that we have to legislate under present conditions. This is the legislation which we propose under present condition.

Mr. LAURIER. How was it a moment ago about reciprocity ?

Mr. FOSTER. How has it been for the last five years about reciprocity ? Hon. gentlemen have been preaching reciprocity for five years. No one more than my hon. friend, who has just spoken, hailed with delight and with exuberant joy the result of the late election in the United States, and the coming into power of the Democratic party, because he believed there would be a free and open road to free trade in the United States. But what has happened ? That although that party has an overwhelming majority in the House of Representatives and a clear majority in the Senate, after a year and a half of arduous struggle, they have succeeded in getting as far as the report stage of a Bill which is protective from one end of it to the other, and which expressly abolishes every reciprocity treaty that has been entered into with the United States.

Mr. LAURIER. The hon. gentleman was asked, what he would do about reciprocity in agricultural implements ; and his answer was that he had to legislate according to present conditions. That is to say, that the hon. gentleman cannot do so when we do not know what will be done by the United States. But a moment ago the hon. gentleman submitted a reciprocity clause with respect to other articles, without knowing any more what the United States legislation would be than in the present case.

Mr. FOSTER. I see no inconsistency in that, not the least. We are legislating for ourselves in both respects. We are stating now in this legislation what under certain conditions and with respect to certain articles we are prepared to do with the United States. We are legislating in respect of the clauses under discussion, exactly in the same way.

Sir RICHARD CARTWRIGHT. There will be some loss of revenue. Can the hon. Minister state how much ?

Mr. FOSTER. I do not know that there will be loss of revenue. Portable machines, portable steam engines, threshers and separaters, now bearing 35 per cent, will be charged 30 per cent.

Mr. McMULLEN. Before the hon. gentleman leaves the question of agricultural implements I desire to ask, whether the Government will claim the right to re-value those instruments at the port where they are entered, or will they be bound to accept the invoice of the cost where they are manufactured ?

Mr. FOSTER. We will adopt the same course with respect to those machines as we follow with regard to other importations. Sewing machines, which were $3 each and 20 per cent, have been made 30 per cent. Pumps of all kinds and wind-mills will have a duty of 30 per cent. Type for printing will remain as before, 20 per cent ; type metal will be 10 per cent. Bookbinders' tools, printing and lithographing presses and printing machines will remain at 10 per cent. Plates engraved on wood and on steel will be 20 per cent. Stereotypes, electrotypes and celluloids, for almanacs and such like, will remain at 2 cents per square inch ; those of books will be free, because it has been found that the duty upon them has in no sense affected for the better those branches of the printing trade in this country. The duty upon the stereotypes and electros has, however, a different effect on book publishing, and the fact that these will be made free, while it will not in any respect injure the printing business, will assist the publishing and paper interests. Bird cages will be 35 per cent ; barb wire fencing will be reduced to ¾ of a cent per pound, buckthorn and strip fencing of iron will be ½ cent per pound. Machine card clothing will be 25 per cent, and wire cloth of brass, copper and tin will be kept at the same rate, 20 per cent. Wire of brass and copper is reduced from 15 to 10 per cent. As a concession to the manufacturers of wire fencing and wire nails, on whom the competition will fall with very great force, and who under the reduced duties will find it a hard struggle to keep up their end of the competition, we have given them a little relief by reducing the wire used for those purposes, from No. 11 to No. 14 gauge, from 25 per cent to 15 per cent.

Sir RICHARD CARTWRIGHT. What is your estimate of the loss of revenue ?

Mr. FOSTER. I think there will not be any loss of revenue. Wire rope of iron or steel will be 25 per cent ; manufactures, articles or wares not specially enumerated are reduced from 30 per cent to 27½ per cent. Firearms will pay 20 per cent. Corset clasps, spoon clasps or busks and other ar-

cles of that class will be 5 cents per pound and 20 per cent. Gas, coal oil and electric light fixtures will pay 27½ per cent. Gas meters will pay 35 per cent. Bells of any description, 25 per cent. Brass and copper nails will also pay 25 per cent; zinc, manufactures of, 25 per cent; babbit metal, 10 per cent; phosphor bronze, 10 per cent; lead, 60 cents per 100 pounds, when in bars or blocks; old lead, 40 cents per 100 pounds; manufactures of lead, 30 per cent; cans and packages made of tin or other material, 1½ cents per quart; stamped tinware, japanned ware, 25 per cent; enamelled iron or steel ware, 30 per cent. Telephones or telegraphic instruments will be 25 per cent. Composition metal for the manufacture of filled gold watch cases, remains the same, 10 per cent ad valorem; Britannia metal and German and nickel silver, manufactures of, remain the same, 25 per cent. Manufactures of gold and silver jewellery have been raised from 20 per cent to 25 per cent, and I would have had no hesitation in raising the duty still more if I thought it would have had the effect of bringing in additional revenue, but when you go beyond a certain limit of duty no additional revenue is obtained. Sterling silver table ware and plated ware, 30 per cent, plated cutlery, 35 per cent, precious stones, 10 per cent; clocks, 25 per cent instead of 30; watches remain as before, 25 per cent. Jewellery and watch cases have been brought in under a common duty of 35 per cent. Coming to minerals, few changes have been made. Plumbago has been reduced from 15 per cent to 10 per cent; manufactures of plumbago from 30 per cent to 25 per cent. Cane or rattan, split, will be 12½ per cent. to 10 per cent; manufactures of plumbago from 30 per cent to 25 per cent. Manufactures of cane or rattan will be 15 per cent. Lumber and timber manufactures, further than rough sawn or hewn, 20 per cent; hubs, spokes, felloes and parts of wheels have been reduced from 15 per cent to 10 per cent; pails, tubs, churns, etc., reduced from 25 per cent to 20 per cent.

Mr. LANDERKIN. Is there any change on the duty on a wagon?

Mr. FOSTER. I will come to that presently. Manufactures of wood and brushes, 25 per cent; umbrella and parasol sticks, 20 per cent; veneers of wood reduced from 10 per cent to 5 per cent. Picture and photograph frames have been reduced from 35 per cent to 30 per cent; mouldings of wood from 25 per cent to 20 per cent; fishing rods are maintained at the same rate of duty, 30 per cent; furniture of wood, iron or other material reduced from 35 per cent to 30 per cent; coffins and caskets have been reduced from 35 per cent to 25 per cent.

Mr. MILLS (Bothwell). Bless the dead.

Mr. FOSTER. That will be some relief to the hon. gentleman opposite. Billiard tables, which had a series of duties, specific and ad valorem according to their grades and value, have all been put in one list at 35 per cent. In respect to carriages, two divisions have been made. Carriages had a complex duty and were graded according to their value. It has been decided to make all farm and freight wagons, carts, drays and similar vehicles 25 per cent; and to make all other carriages and buggies, including children's carriages, at a uniform rate of 25 per cent.

Mr. PATERSON (Brant). Where do bicycles come in?

Mr. FOSTER. Bicycles and tricycles come in next at 30 per cent.

Mr. MULOCK. What reduction would that be on carriages?

Mr. FOSTER. You can figure it out in this way: If a farm wagon cost less than $50—say it cost $30—the duty as at present would be $10 and 20 per cent, which is $6; the two duties would be $16 on $30, which would be over 50 per cent. If a wagon cost $20 the rate per cent, ad valorem equivalent, would be still greater. The present arrangement of duties, besides lowering the ad valorem upon the farmers' wagons and all that class of wagons, does away with the discrimination against the lower valued wagons. Railway cars and the like are 30 per cent. Fibreware is reduced from 30 per cent to 25 per cent. Lead pencils are reduced from 30 per cent to 25 per cent. Musical instruments, which had a set of double duties, are reduced to a uniform duty: organs 30 per cent, pipe organs and sets or parts 25 per cent. Pianofortes had also a series of mixed duties, according to the value of the instruments, and a round duty of 35 per cent has been placed upon

them. Parts of pianos coming in as before at 25 per cent, and musical instruments at 20 per cent.

SUGARS.

We come next to the items of sugars and syrups. The present duties upon sugars, as hon. gentlemen will recollect, is 8-10 of a cent upon refined sugars, and upon all sugars above No. 14 Dutch standard. Molasses has its duty of 1½ cents per gallon, grading up or grading down, as the molasses becomes better or as it becomes poorer. The decision of the Government with reference to sugar is this : to raise the colour standard from 14 to 16, so that hereafter all sugars not over, that is, including No. 16 Dutch standard, will come in free ; all raw sugars. That will give ingress to a very valuable class of sugars fit for the table and culinary uses, which will be brought in largely from the West Indies. At the same time the protective duty for refined sugars, which is now 8-10 of a cent per pound, is to be reduced 20 per cent, and the duty will be 64-100 of a cent.

Mr. CHARLTON. Looking to Washington.

Mr. FOSTER. No ; they will put a duty on raw sugar. That is, the committee arranged it ; but what will be done, no one knows.

Mr. CHARLTON. They have only 3-10 of a cent protection.

Mr. FOSTER. No ; the present schedule, if it goes into effect in the United States, will give a clear 4-10 protection. Glucose, or grape sugar, 1½ cents per pound. Sugar candy, in which all have an interest, which was 1¼ cents, and 25 per cent before, is reduced to 35 per cent. The molasses clause has been made more strict in order, if possible, to include in it what is really good molasses, and to exclude from that category of a low rate of duty, what is not good molasses and syrups of different kinds and of all qualities, some good and more of them bad, which are thrown into the market. So that the arrangement of the wording has been made as strict as it possibly could be upon molasses, and a third class is made of syrups of all kinds, the products of the sugar cane or beet root.

Sir RICHARD CARTWRIGHT. Do I understand the hon. gentleman correctly that from this time out the sugar duties will be 6-10 of a cent per pound, all over No. 16 Dutch standard ?

Mr. FOSTER. Sixty-four one hundredths.

Sir RICHARD CARTWRIGHT. That is close to 6-10, practically the same. And on molasses—did he say it would be 5-10 of a cent per pound ?

Mr. FOSTER. No ; on molasses 1½ cents per gallon of a certain test, and when it goes far below that test, my hope is that it will not be able to come in at all. Below that test it degenerates rapidly, and becomes ultimately what is known in the Maritime Provinces as "blackstrap," but it is not used, I think, there except for the purpose of making blacking.

COTTONS.

I come next to textiles, and the first is cotton. Hon. gentlemen will remember that the cotton schedule or items run over a considerable space, and combine a very large number of different specifications. An attempt has been made, and I think successfully, to very greatly lessen the confusion that arises therefrom by making the schedules definite and fewer in number. It is proposed to have the following duties upon cottons : cotton batts, batting and sheet wadding, dyed or not, which formerly had a compound duty, have an ad valorem duty of 22½ per cent. Cotton warps and cotton yarns, dyed or undyed, which had a double or mixed duty, have been placed at 25 per cent. Cotton unbleached, which was formerly 1 cent a square yard, and 15 per cent ad valorem, has been made 22½ per cent. White or bleached cotton fabrics, which were 2 cents per square yard, and 15 per cent, have been reduced to 25 per cent, and cotton fabrics, printed, dyed or coloured, which came in largely at 32½ per cent duty, have been reduced to 30 per cent. That takes in the cotton schedule, being some five items, simple and plain, and avoiding all confusion in importation and appraisement.

Mr. FLINT. Does that include cotton duck ?

Mr. FOSTER. Yes, that includes cotton duck. Everything that is made of cotton finds its place in one or other of these schedules.

Mr. MULOCK. Has any estimate been attempted as to the reduction or revenue in this ?

Mr. FOSTER. No ; if I made any estimate it would simply be a guess, and would not be worth discussing. I cannot tell. We have one item after this : that of cotton and linen, xylonite, collars and cuffs, and shirts of all kinds, which is a rather difficult one to deal with. It is an industry which is very widely disseminated, which has grown to very large proportions, and which has one most excellent feature about it, especially in the province of Quebec, in that, the work is very largely distributed amongst the farmers' homes in the vicinity of these factories, where the wages are paid and where the effect of this distribution of the money is felt and seen in the general improvement and betterment of the community. In these collars and cuffs and shirts there is also a very strong competition, not only from the United States of America but more especially from the old country and from Germany. The low prices of labour on the continent enables them to put together these articles at an exceedingly cheap rate, and makes it almost impossible, makes it entirely impossible, in my opinion, without a strong vantage ground, for the manufacturers of these articles in this country to hold their own. The duties upon collars, cuffs and shirts have been arranged with reference to that condition of outside competition and to the feature of the general distribution of the work in our own country. Upon collars of cotton, linen, xylonite or celluloid, the duty, which was before 24 cents a dozen and 30 per cent, has been reduced to 24 cents a dozen and 25 per cent. Cuffs of cotton, linen, etc., have been reduced from 4 cents a pair and 30 per cent to 4 cents a pair and 25 per cent. Shirts of all kinds, costing $3 or less per dozen, have been placed at a uniform duty of 25 per cent ad valorem, a low duty, which will, I suppose, have the effect of sacrificing that part of the industry to the foreign producer ; but shirts costing more than $3 per dozen, worn by the better class, have a specific duty of $1 per dozen and 25 per cent, instead of $1 a dozen and 30 per cent. That, I believe, will keep the larger part of the industry ; and certainly there is no complaint in the country that these goods are not as well made and as cheaply sold in Canada as they are in other countries. Cotton clothing and all other manufactures of cotton, which were 35 per cent before, will be 32½. Crapes, black, 20 per cent. Velvets, velveteens and plush fabrics are increased from 20 per cent to 30 per cent for revenue. Webbing is put at 20 per cent, instead of 25. Jeans and coutils have been imported by corset-makers under a special schedule at 25 per cent, and some would come under the new 30 per cent rate. It has been thought best to keep a special schedule for these at 25 per cent. Laces, braids fringes, embroideries and the like are reduced from 35 to 30 per cent, not because it was thought well to particularly cheapen these goods, as they are in the nature of luxuries, but because it was thought that 30 per cent would bring a greater revenue than 35. Cotton sewing thread, in hanks or on tubes, black, bleached or unbleached, which was 12½ per cent has been increased to 15 per cent, while cotton sewing thread and crochet cottons, on spools or in balls, has been kept at 25 per cent. It was considered that 10 per cent was sufficient for the operation of spooling ; a little more revenue will accrue, while the price will not be raised to the consumer. Twine and cotton cordage of all kinds, 25 per cent. Cordage not elsewhere specified, 30 per cent. Twine for harvest binders, which was reduced last year to 12½ per cent, has been kept at that rate. It is really a low rate, and has not in it now a very large element of protection, now that the different governments have undertaken to manufacture binder twine in the prisons. Boot and shoe laces are 30 per cent. Hammocks and lawn tennis nets are 30 per cent ; damask, towels, and sails for boats and ships are 25 per cent. Bags or sacks of hemp, linen, cotton or jute, which had half a dozen different kinds of duty, some of them compound, have been lumped together under a uniform rate of 20 per cent. Bags or sacks of hemp, linen, cotton or jute, and all manufactures of flax and hemp are 20 per cent. Jute cloth, dyed or bleached or calendered, 10 per cent. The silk duties have been kept as they were. Silk velvets and all manufactures of silk and ribbons are at the same rate of 30 per cent.

WOOLLENS.

When we come to woollens, the difficulty of arranging the tariff was apparent from the outset. The woollen industry is exceedingly diversified in the grades and qualities of its productions. The present duties are specific and ad valorem together. On the lowest class of goods, or shoddies, they range to a

very high ad valorem equivalent, and it has been found impossible, even with the best intentions, to do all that was desired for that part of the woollen trade. It has been found impossible to afford adequate protection to that class of goods, which at the same time would be reasonable for straight woollen goods. The Government has therefore come to the decision to make two single items of the whole woollen business. Yarns, woollen and worsted, which bore 10 cents a pound and 20 per cent ad valorem, have been made to bear an ad valorem duty of 27½ per cent, and all fabrics and manufactures of wool have been put at the rate of 30 per cent. Women's and children's dress goods, which are imported in the rough, to be dyed and finished in this country, come in at 22½ per cent, under regulations as to their dyeing and finishing. Felt, pressed, of all kinds, 17½ per cent. Hosiery and knitted goods, which have borne a double duty of 10 cents a pound and 20 per cent, are put into one schedule and will pay 35 per cent. The carpet schedule, which ran over five or six items, has been reduced to one, and carpets, mats and rugs are put at 30 per cent. This will be a slight increase on Brussels carpet, which before paid 25 per cent; but those who buy Brussels carpet can afford to pay a little more for the purpose of uniformity in the schedule. Carpetting, mats and matting of cocoa, hemp or jute, the same as before, 25 per cent.

SUNDRIES.

Floor oilcloth, which before had a mixed duty, has been put in one item, at 30 per cent. Window shades, 35 per cent. Gloves and mitts, 35 per cent. Ready made clothing, 32½ per cent. Hats, caps and bonnets, umbrellas and parasols, 30 per cent. Braces and suspenders, 35 per cent. Surgical belts and appliances, 25 per cent. In the class of sundries, artificial flowers are the same as before, 25 per cent. Buttons of hoof, rubber, vulcanite or composition, which were before 5 cents per gross and 20 per cent, have been put at 4 cents per gross and 20 per cent. Buttons of pearl, vegetable ivory or horn, which were 10 cents per gross and 20 per cent, have been made 8 cents per gross and 20 per cent. Buttons of papier maché and all other, n.e.s., which were 25 per cent, are reduced to 20 per cent. Combs, 35 per cent. Fireworks, 25 per cent. Fertilizers, compounded, which bore 20 per cent, have been reduced to 10 per cent, and all uncompounded fertilizing matter comes in free, and can be imported by any person and mixed and compounded by the farmer himself for his own wants. Gun, rifle and pistol cartridges, cartridge-cases and the like are reduced from 35 per cent to 30 per cent. Nitro-glycerine, dualin, blasting, mining and gunpowder and other explosives, which bore specific or specific and ad valorem duties, have been placed in one schedule at 25 per cent. Photographic dry-plates are 30 per cent. Tobacco pipes, cigar and cigarette-holders, 35 per cent, the same as before. Trunks and valises, 30 per cent, the same as before.

THE FREE LIST.

I do not propose to trouble the House by reading the whole of the free list through. I will place that, of course, upon the Table, and it will be printed in due course. There are just one or two things that I wish specially to notice. With reference to books, I have explained that pretty fully. Generally, I may say, that all acids, drugs, dye stuffs—everything which is necessary for tanning in the manufacturing process and the like—have been taken from the dutiable list and placed on the free list. In that respect, pretty nearly all, if not all, the elements that go into dyeing, tanning and the like, have been made free. In addition to the books made free are those printed by any government or association for the promotion of science and letters, and issued in the course of the proceedings of such association, to its members, and not for the purpose of sale or trade. Also books, not being printed or reprinted in Canada, which are included in the curriculum of any university or incorporated college in Canada; books specially imported for the bona fide use of incorporated mechanics' institutes, etc. Brass scrap and brass in sheets or plates. Brass in bars and bolts, drawn, plain and fancy tubing, and other brasses, as will be seen by reference to the list, are made free. In the article of minerals, coke, which was dutiable heretofore, has been placed on the free list. This will be a large concession to the whole of the western part of this country, in so far as manufacturing is concerned.

Mr. PATERSON (Brant). Did you say anything about bituminous coal ?

Mr. FOSTER. In passing over that, I said they were kept as before. But there is one item made free, which deserves special mention, and the object of which is to afford a healthy amusement, at a cheap rate, to a large and deserving class of our population. Curling stones of granite have been made free. Dogs have been added to other fowls that come in free for breeding purposes. Globes, geographical, topographical and astronomical, have been put on the free list. Mining machinery, it will be recollected, was put upon the free list for three years.

Mr. EDGAR. That was only what could not be made in this country.

Mr. FOSTER. That has been re-enacted with an addition which will make it read as follows :—

Mining and smelting machinery, imported prior to the 16th May, 1896, which is at the time of its importation of a class or kind not manufactured in Canada.

The object is to assist, as far as possible, in holding out inducements for the establishment of new smelting furnaces.

Mr. FRASER. Will that include such machinery as is required for the washing of ores as well as the mining of ores ?

Mr. FOSTER. It will include just what is understood under smelting machinery. I am not sufficiently versed in mining and smelting machinery to know just how far it will go, but the Controller of Customs and the Minister of Justice will take care that it does not go too far. Shoe buttons, papier maché ; metal glove-fasteners, eyelets, hooks and eyelets for boots and shoes, and lacing hooks, are free. Sugar, not above No. 16 Dutch standard in colour, sugar drainings or pumpings, drained in transit, melado or concentrated melado, tank bottoms and sugar concrete, are also free. With reference to woods, logs and round unmanufactured timber, not specially enumerated or provided for in this act ; firewood, handle bolts, railroad ties, ship timber and ship-planking not specially provided for in this act, and other woods as mentioned in the schedule, are free. This is a special concession, and I hope will prove a useful one in Manitoba and the North-west. There was no one feature of our examination into the condition of things in that part of the country, which impressed itself so forcibly on my mind, as the combine which existed for the distribution and sale of lumber. Every town was parcelled out. One or two men were selected, to whom was given the monopoly of selling in each place. The prices were fixed, and if they sold a fraction of a cent under the fixed prices, their privilege was taken away and given to somebody else. That monopoly bore heavily on the people in that country, where lumber is so essentially necessary in the making of barns and houses, and I came to the conclusion that if possible help should be given by putting lumber upon the free list, and that has been done. But there is a codicil, which will, I know, please my hon. friends opposite. These articles are free, but it is provided that :—

If any country shall impose a duty upon the articles in this schedule enumerated, or any of them, when imported into such country from Canada, it shall be lawful for the Governor in Council, from time to time, by proclamation published in the *Canada Gazette*, to declare that the following export duties, or any of them, shall be chargeable upon logs exported into such country from Canada.

The articles enumerated are as follows :—

Pine, Douglas fir, fir balsam, cedar and hemlock logs not exceeding $3 per thousand feet board measure. In case of the export of any of the above enumerated logs in shorter lengths than 9 feet, then a rate per cord may be levied in the same way, equivalent to the above enumerated rate per thousand feet, board measure. And export duty shall be chargeable accordingly, after the publication of such proclamation: Provided that the Governor General in Council may by proclamation published in like manner, from time to time, remove and reimpose such export duty.

Wood pulp, mechanically ground, and chemical wood pulp, bleached or unbleached, are added to the free list. I think I have exhausted the patience of the House, and your patience, Mr. Speaker.

Sir RICHARD CARTWRIGHT. What is the total effect of this on the revenue ?

Mr. FOSTER. I therefore will conclude this long series of remarks by giving the hon. gentleman the information which I have at hand. The total reduction of revenue resulting from the changes, taking as a basis the imports of last year, will be about $1,-

500,000 or $1,600,000. This takes into account the additions to the revenue which we may fairly calculate upon, as in the case of rice.

Sir RICHARD CARTWRIGHT. That is the net loss.

Mr. FOSTER. That is the net loss. That is a rather bold reduction to make, the situation being as at present, but I have every hope that the depression in the revenue will be short lived, and that in a few months the revenues of the country will recover their buoyancy with recovering business on the other side of the line, in Great Britain, and, I hope, the world over. However that may turn out, I think that what we have to face, as a prudent people, and to face cheerfully, is the fact that we may be short in revenue for a year or two as compared with former terms. It is our duty, in making this reduction and incurring that shortage, to keep the expenses of the country well within our revenue, whether it slightly exceeds our expectations or whether it does not fully come up to them. I wish to state this one thing in addition : After all that has been done in the United States, after their election, run upon the basis of tariff revision, and after the question has been thoroughly fought out in the House of Representatives, there is a net result, if the Wilson Bill is carried as at present, of an average protection on dutiable imports of 30·66 per cent. That is a little over the average upon the dutiable imports in Canada under the present tariff. The American representatives came face to face with the facts ; their theories had to be put to the test of a practical solution, and the leaders, in the preparation of the Bill, and in the House itself were obliged frankly to acknowledge that they could not make a free trade measure and that they had to embody in the Bill the principle of protection. That principle has been embodied in it from the first. But, after all the agitation that has taken place, their average ad valorem duty, calculated on the basis of their imports, will be a little higher than our average ad valorem duty under the present tariff. Under the reduced rates which I have just given, our ad valorem duty will be, on the average, about 28 per cent, which is a large reduction, and much below that of the United States as it will be if the Bill is carried as proposed. I want to say, in conclusion, just one more word with reference to the principle of reciprocity. We have been charged with not dealing with the United States in a fair and reciprocal spirit. We must consider the whole line of the Customs tariff. We know this fact, that the McKinley Bill in 1893 (the last year of its operation if the new Bill is carried) charged an ad valorem duty equivalent to an average, on the table of imports, of 49½ per cent, while our tariff, as regards dutiable imports for home consumption, went down to an average of 30·28 per cent. Ever since they have had a protective system their duties have been, on the average, from 15 to 20 per cent higher than ours, and, in some cases, their duties have been double what ours have been. Take cotton warps and yarns—their average duty in 1890 was 46 per cent ; in 1891 they were 49 per cent ; in 1892 they were 49 per cent ; and in 1893 they were 50·23 per cent. On carpets, they have had an even 50 per cent ; on cotton cloth from 46 to 48 per cent ; knitted goods, in 1892, an average of 68 per cent. The total cotton manufactures have borne a duty of 55 per cent, and so on through the whole list. It cannot be argued that, in the matter of arrangement of duty we have not treated them fairly. They have been able to get over our wall, but it has been almost impossible for us, in nearly every line of manufactured goods, to get over the wall they have built around their country. I thank you, Mr. Speaker, and the members of the House for the attention with which you have listened to me.

Mr. DAVIES (P.E.I.) Will the hon. gentleman allow me a question ? He has mentioned that garden seeds remain as before. Is grass seed in the same category ?

Mr. FOSTER. Yes ; it remains as before.

Mr. CHARLTON. If the hon. gentleman will permit me I desire to ask a question. As I understand the hon. gentleman, boards, deals, etc., are placed upon the free list, with a provision that nations that do not reciprocate shall have an export duty placed upon logs and some other articles. A contingency may arise with regard to which I wish to inquire. The American Congress has now a tariff bill under consideration, which bill places these articles upon the free list. Consideration of that bill may not be com-

pleted and final action taken as early as final revision upon this bill. Under the provisions of the tariff just explained by the hon. gentleman, as I understand it, we are liable to have export duties imposed in the interim between the time this bill is passed and the time the American bill is acted upon. If that were the case, it would have an irritating effect and might very seriously compromise our chances of getting free admission for our lumber into the United States. Would such a contingency arise ?

Mr. FOSTER. No ; it is not the intention that any contingency of that kind shall arise.

Mr. PATERSON (Brant). I suppose the intention of the hon. Minister in the resolutions he has placed before us is to repeal the present provisions of tariff enactments and to consolidate the law ?

Mr. FOSTER. Yes.

Mr. PATERSON (Brant). As the hon. Minister proceeded I did not observe that he referred to some articles which had occurred to my mind, and he has forgotten to tell us what rate he intends to impose on unenumerated articles.

Mr. FOSTER. The same as before, 20 per cent.

Mr. SOMERVILLE. I would like to ask the Finance Minister if it is the intention to allow stereotype plates for newspapers to come in free ?

Mr. FOSTER. There is no change in that respect ; stereotypes for books come in free. I have already, Mr. Speaker, thanked yourself and the members of the House for the attention with which you have listened to me.

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